

FB 2000-2002 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM

VOLUME II

Legislative Research Commission

JUNE 7, 2000

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FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM
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**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

EDUCATION

JUNE 7, 2000

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Education

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Support Education Excellence in Kentucky (SEEK)	2,184,668,000	2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
Executive Policy and Management	2,364,700	2,587,700	2,637,700	50,000	2,660,400	2,676,900	16,500
Management Support Services	384,635,500	390,374,400	399,499,900	9,125,500	420,026,000	429,519,300	9,493,300
Learning Support Services	171,350,600	186,190,800	184,960,800	(1,230,000)	190,239,100	192,607,700	2,368,600
Operating Budget Total	2,743,018,800	2,801,516,500	2,795,884,700	(5,631,800)	2,874,183,300	2,861,097,500	(13,085,800)

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT**

Cabinet/Function: Education

	FY 1999-2000 Budget	FY 2000-2001		FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly
Executive Policy and Management	405,700	427,200	427,200		425,400	425,400
Management Support Services	2,893,000	3,090,500	3,090,500		2,989,500	2,989,500
Learning Support Services	3,406,000	3,604,200	3,604,200		3,571,300	3,571,300
Operating Budget Total	6,704,700	7,121,900	7,121,900		6,986,200	6,986,200

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT

Cabinet/Function: Education

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly Difference	Branch	General Assembly Difference	
Executive Policy and Management	526,000	538,600	538,600	551,500	551,500	
Management Support Services	140,281,500	172,455,500	172,455,500	176,555,400	176,555,400	
Learning Support Services	285,264,000	292,032,300	292,032,300	298,881,900	298,881,900	
Operating Budget Total	426,071,500	465,026,400	465,026,400	475,988,800	475,988,800	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Education

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Support Education Excellence in Kentucky (SEEK)	2,184,668,000	2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
Executive Policy and Management	3,296,400	3,553,500	3,603,500	50,000	3,637,300	3,653,800	16,500
Management Support Services	527,810,000	565,920,400	575,045,900	9,125,500	599,570,900	609,064,200	9,493,300
Learning Support Services	460,020,600	481,827,300	480,597,300	(1,230,000)	492,692,300	495,060,900	2,368,600
Operating Budget Total	3,175,795,000	3,273,664,800	3,268,033,000	(5,631,800)	3,357,158,300	3,344,072,500	(13,085,800)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Education

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund Special	865,400	865,400							
General Fund	2,742,153,400	2,742,153,400		2,801,516,500	2,795,884,700	(5,631,800)	2,874,183,300	2,861,097,500	(13,085,800)
Restricted Funds	6,704,700	6,704,700		7,121,900	7,121,900		6,986,200	6,986,200	
Federal Funds	426,071,500	426,071,500		465,026,400	465,026,400		475,988,800	475,988,800	
Regular Total Funds	3,175,795,000	3,175,795,000		3,273,664,800	3,268,033,000	(5,631,800)	3,357,158,300	3,344,072,500	(13,085,800)
General Fund Continuing									
GRAND TOTAL FUNDS	3,175,795,000	3,175,795,000		3,273,664,800	3,268,033,000	(5,631,800)	3,357,158,300	3,344,072,500	(13,085,800)
II. EXPENDITURE CATEGORY									
Personnel Costs	52,146,400	52,146,400		58,611,100	58,811,600	200,500	60,935,700	61,473,900	538,200
Operating Expenses	13,889,500	13,889,500		16,394,600	16,434,600	40,000	16,321,100	16,146,100	(175,000)
Grants, Loans, Benefits	3,109,759,100	3,109,759,100		3,198,599,100	3,192,726,800	(5,872,300)	3,279,562,500	3,265,169,500	(14,393,000)
Debt Service							339,000	1,283,000	944,000
Capital Outlay	0	0		60,000	60,000				
TOTAL EXPENDITURES	3,175,795,000	3,175,795,000		3,273,664,800	3,268,033,000	(5,631,800)	3,357,158,300	3,344,072,500	(13,085,800)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,742,153,400	2,742,153,400		2,759,559,300	2,745,977,000	(13,582,300)	2,806,814,700	2,781,851,000	(24,963,700)
Restricted Funds	6,704,700	6,704,700		6,860,400	6,954,700	94,300	6,986,200	6,847,800	(138,400)
Federal Funds	426,071,500	426,071,500		465,026,400	465,026,400		475,988,800	475,988,800	
Regular Total Funds	3,174,929,600	3,174,929,600		3,231,446,100	3,217,958,100	(13,488,000)	3,289,789,700	3,264,687,600	(25,102,100)
General Fund Continuing									
TOTAL BASE LEVEL	3,174,929,600	3,174,929,600		3,231,446,100	3,217,958,100	(13,488,000)	3,289,789,700	3,264,687,600	(25,102,100)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund Special	865,400	865,400							
General Fund				41,957,200	49,907,700	7,950,500	67,368,600	79,246,500	11,877,900
Restricted Funds				261,500	167,200	(94,300)		138,400	138,400
TOTAL ADDITIONAL	865,400	865,400		42,218,700	50,074,900	7,856,200	67,368,600	79,384,900	12,016,300

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				4,900,000		(4,900,000)			
Bond Funds				3,222,000	8,122,000	4,900,000			
Investment Income				292,000	292,000		785,000	785,000	
Emer. Repair & Maint.				1,700,000	1,700,000				
TOTAL CAPITAL				10,114,000	10,114,000		785,000	785,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Support Education Excellence in Kentucky (SEEK)

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
Regular Total Funds	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
General Fund Continuing									
GRAND TOTAL FUNDS	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
Capital Outlay	0	0							
TOTAL EXPENDITURES	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
Regular Total Funds	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)
General Fund Continuing									
TOTAL BASE LEVEL	2,184,668,000	2,184,668,000		2,222,363,600	2,208,786,300	(13,577,300)	2,261,257,800	2,236,293,600	(24,964,200)

FB 2000-2002 BUDGET MODIFICATION REPORT

Support Education Excellence in Kentucky

BRANCH BUDGET

The Branch Budget recommends funding for existing SEEK programs in FB 2000-2002 with the following exceptions:

The Branch Budget provides General Fund support totaling \$1,573,075,600 for the Base SEEK guarantee per pupil funding level in the current fiscal year (1999-2000). General Fund support totaling \$1,586,762,900 (including additional funding support totaling \$1,648,400) in FY 2000-2001 and \$1,618,228,300 (including additional funding support totaling \$10,330,000) in FY 2001-2002 is recommended for the Base SEEK component. The Branch Budget provides a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$2,994 in FY 2000-2001 and \$3,066 in FY 2001-2002 based on projected average daily attendance (ADA) totaling approximately 570,739 students in each fiscal year in FB 2000-2002. The current SEEK per pupil guarantee (including \$100 per pupil for capital outlay) totals \$2,924, and is based on a projected ADA student population totaling 571,029.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, funds appropriated for the SEEK program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total funds allotted shall not exceed the appropriations for this purpose except as provided in the Branch Budget Bill.

The Branch Budget recommends continuation of the .15 factor to be applied to the SEEK base per pupil guarantee to determine the "at-risk" funds to be included in the SEEK calculation.

The Branch Budget continues the modified "hold-harmless" guarantee and provides that every school district will receive at least the same amount of SEEK state funding per pupil in each fiscal year of the biennium as was received in FY 1991-92.

The Base Level Budget includes additional General Fund support to provide for the following: (1) \$1,648,400 in FY 2000-2001 and \$10,330,000 in FY 2001-2002 to provide for the total cost of two and four-tenths percent (2.4%) increase in the Base SEEK component; (2) \$5,359,000 in FY 2000-2001 and \$640,600 in FY 2001-2002 to fully fund the Tier I component of SEEK, utilizing current year assessments. The recommended total Tier I component funding increases from \$118,834,100 in FY 1999-2000 to \$125,975,600 in FY 2000-2001 and \$123,066,500 in FY 2001-2002; (3) \$4,562,700 in FY 2000-2001 and \$ 9,227,200 in FY 2001-2002 to fully fund increased Pupil Transportation costs, notwithstanding KRS 157.360(2)(c). Total funds for the Pupil Transportation component increases from \$189,859,500 in FY 1999-2000 to \$194,422,200 in FY 2000-2001 and \$199,086,700 in FY 2001-2002; and (4) \$4,454,800 in FY 2000-2001 and \$1,770,800 in FY 2001-2002 is provided to fully fund the Facilities Support Program (FSPK), utilizing current assessments, in accordance to the provisions of KRS 157.620 and KRS 157.440. The total recommended funding increases from \$41,137,800 in FY 1999-2000 to \$46,209,700 in FY 2000-2001 and \$ 44,152,000 in FY 2001-2002.

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$20,468,500 in FY 2000-2001 and \$21,452,600 in FY 2001-2002 to support the state-operated vocational school reimbursement for course offerings to students in local school districts.

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$2,381,200 in FY 2000-2001 and \$2,416,900 in FY 2001-2002 to support vocational transportation.

Additional General Fund support totaling \$3,690,500 in FY 2000-2001 and \$6,756,000 in FY 2001-2002 is included in the Base Level Budget to support the increased costs for the employer contributions to the Kentucky Teachers' Retirement System in accordance with the provisions of KRS 161.550. The total recommended funding increases from \$238,870,000 in FY 1999-2000 to \$246,143,500 in FY 2000-2001 and \$252,854,800 in FY 2001-2002.

FB 2000-2002 BUDGET MODIFICATION REPORT

Support Education Excellence in Kentucky

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Allocation of Support Education Excellence in Kentucky Funds and Minimum Statewide Salary Schedules as follows:

a. Allocation of Support Education Excellence in Kentucky Funds: The General Fund appropriations to the base Support Education Excellence in Kentucky (SEEK) program are intended to provide a base guarantee of \$2,994 per student in average daily attendance in fiscal year 2000-2001 and \$3,066 per student in average daily attendance in fiscal year 2001-2002 as well as to meet the other requirements of KRS 157.360, notwithstanding KRS 157.360(2)(c).

Notwithstanding any statutory provisions to the contrary, the vocational education deduct factor shall be fifteen percent in fiscal year 2000-2001 and zero percent in fiscal year 2001-2002.

Nothing in this legislation shall be construed as prohibiting the contracting out of pupil transportation services.

For purposes of implementing the provisions of House Bill 469 (1998 Ky. Acts ch. 254), the percent increase in the average annual Consumer Price Index for all urban consumers between the two most recent calendar years refers to calendar year 1999 compared to calendar year 1998; the resulting percent increase shall be applicable in both fiscal year 2000-2001 and fiscal year 2001-2002.

Funds appropriated to the Support Education Excellence in Kentucky program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. The total appropriation for the Support Education Excellence in Kentucky (SEEK) program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the Support Education Excellence in Kentucky program is subject to Part III, General Provisions, of this Act, and the provisions of KRS Chapter 48. If funds appropriated to the Support Education Excellence in Kentucky program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430.

b. Minimum Statewide Salary Schedules: The following is the minimum statewide salary schedule for fiscal year 2000-2001 and fiscal year 2001-2002.

Rank	I	II	III	IV	V
Experience					
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22,580	17,150	15,810
10-14 years	31,260	28,600	25,950	17,150	15,810
15-19 years	32,260	29,610	26,950	17,150	15,810
20 years and over	32,760	30,110	27,450	17,150	15,810

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Support Education Excellence in Kentucky

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly provides General Fund support totaling \$1,572,050,600 in FY 2000-2001 and \$1,594,762,000 in FY 2001-2002 for the Base SEEK component.

The General Assembly provides a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$2,994 in FY 2000-2001 and \$3,066 in FY 2001-2002 based on projected average daily attendance (ADA) totaling approximately 571,807 students in each fiscal year in FB 2000-2002.

The General Assembly provides General Fund support totaling \$125,929,500 in FY 2000-2001 and 121,121,800 in FY 2001-2002 for the Tier I component as established by KRS 157.440.

The General Assembly provides General Fund support totaling \$194,322,200 in FY 2000-2001 and \$198,876,200 in FY 2001-2002 for the Pupil Transportation component

The General Assembly provides General Fund support totaling \$47,640,800 in FY 2000-2001 and \$44,809,300 in FY 2001-2002 to fully fund the Facilities Support Program (FSPK), utilizing current assessments, in accordance to the provisions of KRS 157.620 and KRS 157.440.

The General Assembly provides General Fund support totaling \$245,993,500 in FY 2000-2001 and \$252,854,800 in FY 2001-2002 for the increased costs for the employer contributions to the Kentucky Teachers' Retirement System in accordance with the provisions of KRS 161.550.

The General Assembly provides the amount of \$470,000 average per pupil assessment equalization level in each fiscal year pursuant to KRS 157.440 and KRS 157.620.

The General Assembly revises Part IX, Special Provisions, relating to implementing the provisions of House Bill 469 under the Allocation of Support Education Excellence in Kentucky Funds as follows:

For purposes of implementing the provisions of House Bill 469 (1998 Ky. Acts ch. 254), the percent increase in the average annual Consumer Price Index for all urban consumers between the two most recent calendar years refers to calendar year 1999 compared to calendar year 1998; the resulting 2.2% increase shall be applicable in both fiscal year 2000-2001 and fiscal year 2001-2002.

The General Assembly adds Part IX, Special Provisions, language provision relating to Allocation of Support Education Excellence in Kentucky Lapse Funds to read as follows:

c. Allocation of Support Education Excellence in Kentucky Lapse Funds: Funds allocated for the SEEK base and its adjustment factors that are not needed for the base or a particular adjustment factor may be allocated to other adjustment factors, if funds for that adjustment factor are not sufficient. Excess funds that exist after the SEEK base and all SEEK adjustment factors have been fully funded shall be reallocated for the purpose of providing additional SEEK funding to local school districts. The reallocation of excess funds shall be in accordance with 702 KAR 3:270 promulgated under KRS 157.310 to KRS 157.440. Supplemental SEEK payments during fiscal biennium 2000-2002 shall not become part of the continuing SEEK base. The Governor, upon the written recommendation of the Secretary of the Finance and Administration Cabinet and the written request of the Commissioner of Education, shall certify that excess funds are available.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Executive Policy and Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,364,700	2,364,700		2,587,700	2,637,700	50,000	2,660,400	2,676,900	16,500
Restricted Funds	405,700	405,700		427,200	427,200		425,400	425,400	
Federal Funds	526,000	526,000		538,600	538,600		551,500	551,500	
Regular Total Funds	3,296,400	3,296,400		3,553,500	3,603,500	50,000	3,637,300	3,653,800	16,500
General Fund Continuing									
GRAND TOTAL FUNDS	3,296,400	3,296,400		3,553,500	3,603,500	50,000	3,637,300	3,653,800	16,500
II. EXPENDITURE CATEGORY									
Personnel Costs	2,331,600	2,331,600		2,529,500	2,529,500		2,595,100	2,611,600	16,500
Operating Expenses	438,800	438,800		485,400	535,400	50,000	490,700	490,700	
Grants, Loans, Benefits	526,000	526,000		538,600	538,600		551,500	551,500	
Capital Outlay	0	0							
TOTAL EXPENDITURES	3,296,400	3,296,400		3,553,500	3,603,500	50,000	3,637,300	3,653,800	16,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,364,700	2,364,700		2,587,700	2,587,700		2,660,400	2,660,400	
Restricted Funds	405,700	405,700		415,500	419,700	4,200	425,400	419,200	(6,200)
Federal Funds	526,000	526,000		538,600	538,600		551,500	551,500	
Regular Total Funds	3,296,400	3,296,400		3,541,800	3,546,000	4,200	3,637,300	3,631,100	(6,200)
General Fund Continuing									
TOTAL BASE LEVEL	3,296,400	3,296,400		3,541,800	3,546,000	4,200	3,637,300	3,631,100	(6,200)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					50,000	50,000		16,500	16,500
Restricted Funds				11,700	7,500	(4,200)		6,200	6,200
TOTAL ADDITIONAL				11,700	57,500	45,800		22,700	22,700
V. ADDITIONAL BUDGET ITEMS									
1	EXPAN	Legal Services - KY School Laws							
(540AD0X01)	Provide funds to support the biennial preparation and publication of the KY School Laws pursuant to KRS 156.240.								
General Fund					50,000	50,000			
Total					50,000	50,000			

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Executive Policy and Management

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS								
2 NEW Wage Equity Plan								
(540AACX01) Provide funds to support salary improvement.								
General Fund						16,500		
Restricted Funds			11,700			7,500		
Total			(4,200)			6,200		
			11,700			22,700		
TOTAL ADDITIONAL			57,500			22,700		
			45,800			22,700		

FB 2000-2002 BUDGET MODIFICATION REPORT

Executive Policy and Management

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$11,700 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part III, General Provisions, includes language provisions that direct, it is the intent of the General Assembly that the Executive Branch implement actions necessary to achieve cost savings as intended, authorized, and directed by 1998 Kentucky Acts, and 1998 House Bill 321 (1998 Ky. Acts ch. 615, Part X), by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, and Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 2000-2002 agency budget request and executive records. The Secretary of any of the specified cabinets and the Commissioner of the Department of Education may submit requests to the State Budget Director of the Governor's Office for Policy and Management for the transfer of General Fund appropriation authority. Such requests shall specify the need for the transfer of General Fund appropriation authority and the manner in which such a transfer would better achieve the General Fund cost savings. Any transfers made under this provision for any of the cabinets identified above or the Department of Education shall result in no change to the total value of the General Fund cost savings amounts as identified in the agency budget request records recommendation and executive records for the individual cabinets specified above or the Department of Education. Any transfer made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue.

The Branch Budget Bill, Part IX, Special Provisions, includes language provision relating to Employment of Personnel as follows:

a. Employment of Personnel: Notwithstanding KRS 18A.115, the Department of Education may fill, through memoranda of agreement, not more than fifty percent (50%) of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

Additional General Fund support totaling \$50,000 in FY 2000-2001 is provided to support the biennial preparation and publication of the Kentucky School Laws pursuant to KRS 156.240.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$7,500 in FY 2000-2001 and \$22,700 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Executive Policy and Management

Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly adds Part IX, Special Provisions, language provision relating to Employment of Leadership Personnel as follows:

b. Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200 and the provisions of 2000 HB 728, the Kentucky Board of Education shall have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set their compensation comparable to the competitive market.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Management Support Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	384,635,500	384,635,500		390,374,400	399,499,900	9,125,500	420,026,000	429,519,300	9,493,300
Restricted Funds	2,893,000	2,893,000		3,090,500	3,090,500		2,989,500	2,989,500	
Federal Funds	140,281,500	140,281,500		172,455,500	172,455,500		176,555,400	176,555,400	
Regular Total Funds	527,810,000	527,810,000		565,920,400	575,045,900	9,125,500	599,570,900	609,064,200	9,493,300
General Fund Continuing									
GRAND TOTAL FUNDS	527,810,000	527,810,000		565,920,400	575,045,900	9,125,500	599,570,900	609,064,200	9,493,300
II. EXPENDITURE CATEGORY									
Personnel Costs	9,687,900	9,687,900		11,023,600	11,004,100	(19,500)	11,324,500	11,377,600	53,100
Operating Expenses	5,904,800	5,904,800		5,881,200	5,921,200	40,000	5,972,000	6,012,000	40,000
Grants, Loans, Benefits	512,217,300	512,217,300		549,015,600	558,120,600	9,105,000	581,935,400	590,391,600	8,456,200
Debt Service							339,000	1,283,000	944,000
Capital Outlay	0	0							
TOTAL EXPENDITURES	527,810,000	527,810,000		565,920,400	575,045,900	9,125,500	599,570,900	609,064,200	9,493,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	384,635,500	384,635,500		362,124,400	362,119,400	(5,000)	368,401,600	368,402,100	500
Restricted Funds	2,893,000	2,893,000		2,957,200	3,005,400	48,200	2,989,500	2,919,000	(70,500)
Federal Funds	140,281,500	140,281,500		172,455,500	172,455,500		176,555,400	176,555,400	
Regular Total Funds	527,810,000	527,810,000		537,537,100	537,580,300	43,200	547,946,500	547,876,500	(70,000)
General Fund Continuing									
TOTAL BASE LEVEL	527,810,000	527,810,000		537,537,100	537,580,300	43,200	547,946,500	547,876,500	(70,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				28,250,000	37,380,500	9,130,500	51,624,400	61,117,200	9,492,800
Restricted Funds				133,300	85,100	(48,200)		70,500	70,500
TOTAL ADDITIONAL				28,383,300	37,465,600	9,082,300	51,624,400	61,187,700	9,563,300
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Division of School Finance - District Health and Life Insurance Premiums								
(540CD6X01)	Provide funds to support Health and Life Insurance for 91,100 local district employees in FY 2000-01 and 92,900 in FY 2001-02 pursuant to KRS 18A.225.								
General Fund				25,594,000	25,594,000		48,510,900	48,510,900	
Total				25,594,000	25,594,000		48,510,900	48,510,900	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Management Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	MTCE	District Support Services - Safe Schools								
(540CDSX01)	Provide funds to support initiatives designed to prevent violence in and around schools, support programs that prevent the illegal use of alcohol, tobacco and drugs through a school and community-based environment.									
General Fund						2,000,000	2,000,000		2,000,000	2,000,000
Total						2,000,000	2,000,000		2,000,000	2,000,000
3	EXPAN	Additional Family Resource Youth Service Centers (FRYSC's) & Administrative Costs								
(540CH2X01)	Provide funds for 40 additional FRYSC's in FY 2000-01. General Assembly: Provide funds for administrative costs and 47 additional FRYSC's in FY 2000-01 and 47 additional Centers in FY 2001-02 and a 2.4% COLA for existing centers.									
General Fund					2,492,500	4,190,500	1,698,000	2,473,800	8,316,500	5,842,700
Total					2,492,500	4,190,500	1,698,000	2,473,800	8,316,500	5,842,700
4	NEW	Middle Grades School Demonstration Network								
(540CDHX01)	Provide funds to support a network of partner schools which provide working examples of best practices and serve in a mentoring role to low-performing schools.									
General Fund					144,000	144,000		288,000	288,000	
Total					144,000	144,000		288,000	288,000	
5	NEW	Debt Service - KSB - Roof Replacements and Weatherproofing								
(540CB0X02)	Provide debt service funds to support Bond Funds totaling \$1,122,000 in FY 2000-2001 for roof replacement and weatherproofing projects at the KY School for the Blind (KSB).									
General Fund								117,000	117,000	
Total								117,000	117,000	
6	NEW	Debt Service - KSD - Roof Replacements								
(540CB0X03)	Provide debt service funds to support Bond Funds totaling \$850,000 in FY 2000-2001 for replacement of roofs at the KY School for the Deaf (KSD).									
General Fund								91,000	91,000	
Total								91,000	91,000	
7	NEW	Debt Service - KSD - Fire Safety Dorms Renovations								
(540CB0X04)	Provide debt service funds to support Bond Funds totaling \$1,250,000 in FY 2000-2001 for renovations and increased water pressure to ensure adequate fire sprinkler protection for renovated dorms at KSD.									
General Fund								131,000	131,000	
Total								131,000	131,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Management Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8 NEW	Wage Equity Plan									
(540CA0X01)	Provide funds to support salary improvement.									
General Fund					19,500		(19,500)	12,700	65,800	53,100
Restricted Funds					133,300	85,100	(48,200)		70,500	70,500
Total					152,800	85,100	(67,700)	12,700	136,300	123,600
9 NEW	Education Professional Standards Board System Infrastructure/Database System									
(540CGA01)	Provide debt service requirements to support new Bond Funds totaling \$2.9 million in FY 2001-2002 for Infrastructure and a Database System.									
General Fund									555,000	555,000
Total									555,000	555,000
10 NEW	Education Professional Standards Board System Infrastructure									
(540CGA02)	Provide debt service requirements to support new Bond Funds totaling \$2.0 million in FY 2001-2002 for telecommunications and computer related equipment.									
General Fund									389,000	389,000
Total									389,000	389,000
11 EXPAN	Alcohol, Tobacco, and Drug Education									
(540CGA05)	Provide funds to support Alcohol, Tobacco, and Drug Education Programs in the Johnson County School System.									
General Fund						12,000	12,000		13,000	13,000
Total						12,000	12,000		13,000	13,000
12 EXPAN	Child Assault Prevention Program (CAPS)									
(540CGA04)	Provide funds to support CAPS Program in Boyd, Bullitt, Elliott, Franklin, Jefferson, Johnson, Lawrence, Madison, and Martin counties in each fiscal year.									
General Fund						100,000	100,000		100,000	100,000
Total						100,000	100,000		100,000	100,000
13 NEW	Southgate Independent									
(540CGA06)	Provide funds to support program expenses for the Southgate Independent School District.									
General Fund						40,000	40,000		40,000	40,000
Total						40,000	40,000		40,000	40,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Management Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
14	EXPAN	Community Education								
(540CGA03)	Provide funds to support 5 additional programs in FY 2000-2001 and 10 additional programs in FY 2001-2002.									
General Fund					100,000	100,000		300,000	300,000	
Total					100,000	100,000		300,000	300,000	
15	EXPAN	Education Technology Escrow Account								
(540CGA07)	Provide funds to support the Education Technology Escrow Account to be expended based on guidelines established by the Education Technology Master Plan in FY 2001-2002.									
General Fund					5,000,000	5,000,000				
Total					5,000,000	5,000,000				
16	EXPAN	Dropout Prevention								
(540DGA03)	Provide funds to support grants to local school districts for dropout prevention programs.									
General Fund					200,000	200,000		200,000	200,000	
Total					200,000	200,000		200,000	200,000	
TOTAL ADDITIONAL					28,383,300	37,465,600	9,082,300	51,624,400	61,187,700	9,563,300

FB 2000-2002 BUDGET MODIFICATION REPORT

Management Support Services

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$10,800,000 in each fiscal year to support reimbursements to local school districts for the Out-of District Children Program.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, General Fund support totaling \$261,274,800 in FY 2000-2001 and \$289,848,100 in FY 2001-2002 is provided for health and life insurance coverage for employees of local school districts. Included in the funds provided for health and life insurance coverage for employees of local school districts is additional General Fund support totaling \$25,594,400 in FY 2000-2001 and \$48,510,900 in FY 2001-2002 to fully fund the cost of health insurance premiums for all eligible local school district employees (91,100 in FY 2000-2001 and 92,900 in FY 2001-2002).

Additional General Fund support totaling \$2,492,500 in FY 2000-2001 and \$2,473,800 in FY 2001-2002 is provided to establish approximately forty (40) new Family Resource and Youth Service Centers (FRYSC's) in FY 2000-2001. The total recommended General Fund support for the FRYSC's Program totals \$46,045,800 in FY 2000-2001 and \$46,027,100 in FY 2001-2002.

Additional General Fund support totaling \$144,000 in FY 2000-2001 and \$288,000 in FY 2001-2002 is provided to support the Middle-Grades School Demonstration Network.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$19,500 in FY 2000-2001 and \$12,700 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market. These funds are provided to support the Wage Equity Plan for persons employed by the Cabinet for Families and Children who are responsible for the duties relating to the administration of the Family Resource and Youth Service Centers (FRYSC's) Program. Also, Restricted Funds support totaling \$133,300 in FY 2000-2001 is budgeted to provide Wage Equity Plan funding for persons employed within Management Support Services.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects with the associated debt service provided in Part I, Operating Budget:

Additional General Fund support totaling \$117,000 in FY 2001-2002 is provided for debt service to support Bond Funds totaling \$1,122,000 in FY 2000-2001 for roofing and weatherproofing projects at the Kentucky School for the Blind.

Additional General Fund support totaling \$91,000 in FY 2001-2002 is provided for debt service to support Bond Funds totaling \$850,000 in FY 2000-2001 for roof replacement projects at the Kentucky School for the Deaf.

Additional General Fund support totaling \$131,000 in FY 2001-2002 is provided for debt service to support Bond Funds totaling \$1,250,000 in FY 2000-2001 for fire safety dorm renovations at the Kentucky School for the Deaf.

FB 2000-2002 BUDGET MODIFICATION REPORT

Management Support Services

General Fund support totaling \$2,900,000 in FY 2000-2001 is provided for an Infrastructure/Database System for the Education Professional Standards Board.

General Fund support totaling of \$2,000,000 in FY 2000-2001 is provided for a System Infrastructure for the Education Professional Standards Board.

In addition to the Bond Funds identified above, Part II, Capital Projects Budget, provides for the following: Emergency Repair, Maintenance and Replacement Funds in the amount of \$1,700,000 in FY 2000-2001 to provide steam line replacements at the Kentucky School for the Deaf; Investment Income in the amount of \$292,000 in FY 2000-2001 and \$785,000 in FY 2001-2002 to provide a Maintenance Pool for utilization by the Department of Education; and reauthorization of the Jackson County Area Vocational School Project.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Funding for Employer Health and Life Insurance and Retirement Contributions, Kentucky Education Technology System, and Family Resource and Youth Services Centers as follows:

- a. Funding for Employer Health and Life Insurance and Retirement Contributions: If the costs for health insurance or life insurance coverage for employees of local school districts exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. If the appropriations for either local school district teachers' retirement employer match or local district health and life insurance fall short of statutory requirements, any surplus funds from the other appropriation unit may be transferred to the appropriation unit experiencing the shortfall. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. Notwithstanding the provisions of KRS 45.229, any unexpended local school district teachers' retirement employer match funds shall not lapse at the end of fiscal year 2000-2001 but shall be available if needed in fiscal year 2001-2002. Included within the General Fund appropriation for local school district employee health and life insurance is funding to cover costs associated with the Personnel Cabinet's administrative activities including providing life and health insurance for local school district employees. Accordingly, the sum of \$4 per month per employee participating in the state-provided life and health insurance program in fiscal year 2000-2001 and \$4 per month per employee participating in the state-provided life and health insurance program in fiscal year 2001-2002 shall be remitted to the Personnel Cabinet by the Department of Education from the General Fund appropriation for local school district health and life insurance.
- b. Kentucky Education Technology System: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650 to 157.665, the School Facilities Construction Commission in consultation with the Kentucky Board of Education and the Kentucky Department of Education shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds.
- c. Family Resource and Youth Services Centers: Funds appropriated to establish Family Resource and Youth Services Centers shall be transferred in fiscal year 2000-2001 and in fiscal year 2001-2002 to the Cabinet for Families and Children consistent with the intent of KRS 156.497. The Cabinet for Families and Children is authorized to use, for administrative purposes, no more than three percent (3%) of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. The Department of Education is authorized to retain \$76,900 in fiscal year 2000-2001 and \$79,700 in fiscal year 2001-2002 from the funds appropriated for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource or Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

FB 2000-2002 BUDGET MODIFICATION REPORT

Management Support Services

If seventy percent (70%) or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Families and Children identifying the salary of the director. The Cabinet for Families and Children shall transmit any reports received from Family Resource and Youth Service Centers pursuant to this provision to the Legislative Research Commission.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

Additional General Fund support totaling \$2,000,000 in each fiscal year is provided for the Safe Schools Grant Program administered by the Center for School Safety to support programs that prevent the illegal use of alcohol, tobacco and drugs through a school and community-based environment.

Additional General Fund support totaling \$4,190,500 in FY 2000-2001 and \$8,316,500 in FY 2001-2002 is provided for the establishment and administrative costs of 47 additional Family Resource & Youth Service Centers in FY 2000-2001 and 47 additional Centers in FY 2001-2002, and to provide a 2.4% COLA adjustment in each fiscal year for Centers in operation during FY 1999-2000.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$85,100 in FY 2000-2001 and \$136,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support totaling \$555,000 in FY 2001-2002 is provided for debt service requirements to support Bond Funds provided in Part II, Capital Projects Budget totaling \$2.9 million in FY 2000-2001 for Infrastructure and a Database System on behalf of the Education Professional Standards Board.

Additional General Fund support totaling \$389,000 in FY 2001-2002 is provided for debt service requirements to support Bond Funds provided in Part II, Capital Projects Budget totaling \$2.0 million in FY 2000-2001 for Infrastructure on behalf of the Education Professional Standards Board.

Additional General Fund Support totaling \$12,000 in FY 2000-2001 and \$13,000 in FY 2001-2002 is provided to support Alcohol, Tobacco, and Drug Education Programs in the Johnson County School System.

Additional General Fund support totaling \$100,000 in each fiscal year is provided to support the Child Assault Prevention Program (CAPS) in Boyd, Bullitt, Elliott, Franklin, Jefferson, Johnson, Lawrence, Madison, and Martin counties in each fiscal year.

Additional General Fund support totaling \$40,000 in each fiscal year is provided to support program expenses for the Southgate Independent School District.

Additional General Fund support totaling \$100,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 is provided to support the establishment of 5 additional Community Education programs in FY 2000-2001 and 10 additional programs in FY 2001-2002.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Management Support Services

Additional General Fund support totaling \$5,000,000 in FY 2000-2001 is provided for the Education Technology Escrow Account to be expended based on guidelines established by the Education Technology Master Plan in FY 2001-2002.

Additional General Fund support totaling \$200,000 in FY 2000-2001 and \$200,000 in FY 2001-2002 is provided to support dropout prevention programs.

The amount of \$105,000 in each fiscal year is transferred to Murray State University to support Professional Development opportunities within the area of technology.

The General Assembly includes Part I, Operating Budget, language provision that directs, \$1,500,000 in each fiscal year is provided for the Community Education Program.

The General Assembly adds Part IX, Special Provisions, relating to Allocation of Safe School Funds and Education Professional Standards Board System Infrastructure/Database System as follows:

d. Allocation of Safe Schools Funds: Notwithstanding KRS 158.446, the General Fund appropriations in this Act in Part I, C., Section 24, Management Support Services, the Center for School Safety shall develop and implement allotment policies for all moneys received for the purposes of KRS 158.440 to 158.442 and KRS 158.445 to 158.446.

e. Education Professional Standards Board System Infrastructure/Database System: The capital project authorized in Part II, Section C, item f of this Act shall, to the maximum degree possible, provide the Kentucky Department of Education with capacity for data warehousing for student, financial and related data needs as well as providing teacher quality data.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Management Support Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				4,900,000		(4,900,000)			
Bond Funds				3,222,000	8,122,000	4,900,000			
Investment Income				292,000	292,000		785,000	785,000	
Emer. Repair & Maint.				1,700,000	1,700,000				
TOTAL CAPITAL				10,114,000	10,114,000		785,000	785,000	
II. CAPITAL PROJECTS									
1 (5400213) Maintenance Pool									
Investment Income				292,000	292,000		785,000	785,000	
Total				292,000	292,000		785,000	785,000	
2 (5400204) Kentucky School for the Deaf Steam Line Replacement									
Emer. Repair & Maint.				1,700,000	1,700,000				
Total				1,700,000	1,700,000				
3 (5400214) Kentucky School for the Blind Roofing and Weatherproofing									
Bond Funds				1,122,000	1,122,000				
Total				1,122,000	1,122,000				
4 (5400215) Kentucky School for the Deaf Roof Replacements									
Bond Funds				850,000	850,000				
Total				850,000	850,000				
5 (5400202) Kentucky School for the Deaf Fire Safety/Dorm Renovation									
Bond Funds				1,250,000	1,250,000				
Total				1,250,000	1,250,000				
6 (5400207) Education Professional Standards Board System Infrastructure/Database System									
General Fund				2,900,000		(2,900,000)			
Bond Funds					2,900,000	2,900,000			
Total				2,900,000	2,900,000				
7 (5400206) Education Professional Standards Board System Infrastructure									
General Fund				2,000,000		(2,000,000)			
Bond Funds					2,000,000	2,000,000			
Total				2,000,000	2,000,000				

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:

Cabinet/Function:

Executive Branch
Education

Agency:

Appropriation Unit:

Education
Management Support Services

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS

8 (5400208)

Jackson County Area Technology Center - (Reauthorization)

Total

TOTAL

10,114,000

10,114,000

785,000

785,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund Special	865,400	865,400							
General Fund	170,485,200	170,485,200		186,190,800	184,960,800	(1,230,000)	190,239,100	192,607,700	2,368,600
Restricted Funds	3,406,000	3,406,000		3,604,200	3,604,200		3,571,300	3,571,300	
Federal Funds	285,264,000	285,264,000		292,032,300	292,032,300		298,881,900	298,881,900	
Regular Total Funds	460,020,600	460,020,600		481,827,300	480,597,300	(1,230,000)	492,692,300	495,060,900	2,368,600
General Fund Continuing									
GRAND TOTAL FUNDS	460,020,600	460,020,600		481,827,300	480,597,300	(1,230,000)	492,692,300	495,060,900	2,368,600
II. EXPENDITURE CATEGORY									
Personnel Costs	40,126,900	40,126,900		45,058,000	45,278,000	220,000	47,016,100	47,484,700	468,600
Operating Expenses	7,545,900	7,545,900		10,028,000	9,978,000	(50,000)	9,858,400	9,643,400	(215,000)
Grants, Loans, Benefits	412,347,800	412,347,800		426,681,300	425,281,300	(1,400,000)	435,817,800	437,932,800	2,115,000
Capital Outlay	0	0		60,000	60,000				
TOTAL EXPENDITURES	460,020,600	460,020,600		481,827,300	480,597,300	(1,230,000)	492,692,300	495,060,900	2,368,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	170,485,200	170,485,200		172,483,600	172,483,600		174,494,900	174,494,900	
Restricted Funds	3,406,000	3,406,000		3,487,700	3,529,600	41,900	3,571,300	3,509,600	(61,700)
Federal Funds	285,264,000	285,264,000		292,032,300	292,032,300		298,881,900	298,881,900	
Regular Total Funds	459,155,200	459,155,200		468,003,600	468,045,500	41,900	476,948,100	476,886,400	(61,700)
General Fund Continuing									
TOTAL BASE LEVEL	459,155,200	459,155,200		468,003,600	468,045,500	41,900	476,948,100	476,886,400	(61,700)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund Special	865,400	865,400							
General Fund				13,707,200	12,477,200	(1,230,000)	15,744,200	18,112,800	2,368,600
Restricted Funds				116,500	74,600	(41,900)		61,700	61,700
TOTAL ADDITIONAL	865,400	865,400		13,823,700	12,551,800	(1,271,900)	15,744,200	18,174,500	2,430,300
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Assessment and Accountability - Standards Setting								
(540MMAX01)	Provide funds to support the review/re-establishment of student performance standards by a process proposed by the National Technical Advisory Panel on Assessment and Accountability and endorsed by the Kentucky Board of Education.								
General Fund	40,400	40,400		600,000	600,000				
Total	40,400	40,400		600,000	600,000				

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Assessment and Accountability - Longitudinal Assessment								
(540MMAX02)	Provide funds to support the development of Longitudinal Assessments for low scoring students in reading and mathematics.									
General Fund		325,000	325,000		800,000	800,000		850,000	850,000	
Total		325,000	325,000		800,000	800,000		850,000	850,000	
3	EXPAN	Assessment and Accountability - CATS (Operating Costs)								
(540MMAX03)	Provide funds to replace support transferred from the SEEK Fund (Pupil Transportation) to support the costs of the Commonwealth Accountability Testing System (CATS).									
General Fund					1,100,000	1,100,000		1,100,000	1,100,000	
Total					1,100,000	1,100,000		1,100,000	1,100,000	
4	EXPAN	Assessment and Accountability - Alternative Portfolio Scoring								
(540MMAX04)	Provide funds to support alternative portfolio scoring of children with moderate and severe disabilities involved in community based curriculums.									
General Fund					245,000	245,000		257,500	257,500	
Total					245,000	245,000		257,500	257,500	
5	EXPAN	Assessment and Accountability - School Report Card								
(540MMAX05)	Provide funds to support training and assist local educational areas in compiling and reporting data for the School Report Card.									
General Fund					383,400	383,400		393,000	393,000	
Total					383,400	383,400		393,000	393,000	
6	EXPAN	Assessment and Accountability - CATS Validation and Documentation								
(540MMBX01)	Provide funds to support contractual agreements for validity research and documentation regarding the Commonwealth Accountability Testing System (CATS).									
General Fund					250,000	250,000		400,000	400,000	
Total					250,000	250,000		400,000	400,000	
7	NEW	Office of Teacher Education and Certification - Teacher Academies (Operations)								
(540MN0X01)	Provide funds to support the operating costs for the Academies and stipends for teachers who attend.									
General Fund									2,100,000	2,100,000
Total									2,100,000	2,100,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8	EXPAN	Minority Educator Recruitment and Retention - Increased Scholarships								
(540MKAX01)	Provide funds to support increases in the Minority Educator Recruitment and Retention Scholarship awards from \$5,000 to \$6,000.									
General Fund					500,000		(500,000)	500,000		(500,000)
Total					500,000		(500,000)	500,000		(500,000)
9	NEW	Kentucky Virtual High School (KVHS) - Operations								
(540MA0X01)	Provide funds to support the operations of the Kentucky Commonwealth Virtual High School which enable all high school students with Internet access to take advanced courses not available through their local schools.									
General Fund		500,000	500,000		500,000	500,000		500,000	500,000	
Total		500,000	500,000		500,000	500,000		500,000	500,000	
10	EXPAN	KY School for the Blind (KSB) - School Bus								
(540MDG2X01)	Provide funds to support the purchase of a school bus in compliance with KRS Chapter 189.									
General Fund					60,000	60,000				
Total					60,000	60,000				
11	EXPAN	KSB - Additional Staff Positions								
(540MDG0X01)	Provide funds to support 3 additional PFT positions in FY 2000-01 and 3 additional PFT positions in FY 2001-2002 for technical assistance and resources as the Statewide Educational Resource Center for the Blind.									
General Fund					78,000	78,000		156,000	156,000	
Total					78,000	78,000		156,000	156,000	
12	EXPAN	KSB - Braille Textbooks								
(540MDG0X02)	Provide funds to support the purchase of Braille textbooks.									
General Fund					50,000	50,000		35,000	35,000	
Total					50,000	50,000		35,000	35,000	
13	EXPAN	KY School for the Deaf (KSD) - Academic Reinforcement (Additional Positions)								
(540MDH4X01)	Provide funds to support 3 additional PFT positions.									
General Fund					150,000	150,000		150,000	150,000	
Total					150,000	150,000		150,000	150,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
14	EXPAN	Teacher Testing and Internship - Increased Operating Costs and Grants								
(540ME3X01)	Provide funds to increase stipends to teacher internship mentors by \$100 in FY 2000-2001 and an additional \$100 in FY 2001-2002. General Assembly: Provide funds to increase stipends by \$200 in each fiscal year.									
General Fund					270,000	540,000	270,000	540,000	1,080,000	540,000
Total					270,000	540,000	270,000	540,000	1,080,000	540,000
15	NEW	Secondary Vocational Education - Equalization								
(540MDB1X02)	Provide funds to support equalization of locally-operated Secondary Vocational Centers with funding comparable to state-operated Secondary Vocational Centers operated by the Workforce Development Cabinet.									
General Fund					3,850,000	3,850,000		3,850,000	3,850,000	
Total					3,850,000	3,850,000		3,850,000	3,850,000	
16	NEW	Secondary Vocational Education Centers - Christian & Henderson Counties								
(540MDB1X03)	Provide funds to support operational costs of locally-operated Secondary Vocational Technical Centers located in Christian & Henderson Counties.									
General Fund					670,800	670,800		697,700	697,700	
Total					670,800	670,800		697,700	697,700	
17	NEW	Teacher Education and Certification - EPSB Operations								
(540ME1X01)	Provide funds to support additional responsibilities of the Education Professional Standards Board (EPSB) within the Kentucky Department of Education.									
General Fund					900,000	800,000	(100,000)	1,415,000	1,000,000	(415,000)
Total					900,000	800,000	(100,000)	1,415,000	1,000,000	(415,000)
18	NEW	Teacher Education and Certification - National Board Certification								
(540ME1X02)	Provide funds to support Kentucky teachers pursuit of National Board Certification.									
General Fund					700,000	400,000	(300,000)	1,200,000	800,000	(400,000)
Total					700,000	400,000	(300,000)	1,200,000	800,000	(400,000)
19	NEW	Teacher Education and Certification - Core Subject Assistance								
(540ME1X03)	Provide funds to support teachers who are teaching out of their field of specialization.									
General Fund					250,000		(250,000)	250,000		(250,000)
Total					250,000		(250,000)	250,000		(250,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
20 NEW	Teacher Education and Certification - License Renewal Evaluation									
(540ME1X04)	Provide funds to support a strengthened evaluation process for renewal of teaching licenses.									
General Fund					600,000		(600,000)	700,000	700,000	
Total					600,000		(600,000)	700,000	700,000	
21 NEW	Teacher Education and Certification - Teacher Recruitment Bonus									
(540ME1X05)	Provide funds to support incentives for teacher recruitment. Focus will be on hard to fill geographic and subject matter areas.									
General Fund					1,000,000		(1,000,000)	2,000,000		(2,000,000)
Total					1,000,000		(1,000,000)	2,000,000		(2,000,000)
22 NEW	Teacher Education and Certification - Teacher Recruitment									
(540ME1X06)	Provide funds to support incentives for teacher recruitment (tuition waivers, loan forgiveness, signing bonuses, etc.).									
General Fund					250,000		(250,000)	250,000		(250,000)
Total					250,000		(250,000)	250,000		(250,000)
23 NEW	Gifted & Talented									
(540MN2X01)	Provide funds to support additional funding for the Gifted and Talented Program which offers assistance to schools in providing various delivery options for students based on their abilities, needs, or interests.									
General Fund					500,000	500,000		500,000	500,000	
Total					500,000	500,000		500,000	500,000	
24 NEW	Wage Equity Plan									
(540MD01X01)	Provide funds to support salary improvement.									
General Fund									128,600	128,600
Restricted Funds					116,500	74,600	(41,900)		61,700	61,700
Total					116,500	74,600	(41,900)		190,300	190,300
25 NEW	Professional Growth Fund									
(540DGA01)	Provide funds to support the establishment of a Professional Growth Fund.									
General Fund						750,000	750,000		1,250,000	1,250,000
Total						750,000	750,000		1,250,000	1,250,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
26 NEW	Stipend Increases for Supervisory Teachers									
(540DGA02)	Provide funds to support stipend increases for supervisory teachers.									
General Fund						750,000	750,000		750,000	750,000
Total						750,000	750,000		750,000	750,000
27 NEW	Statewide Teacher Recruitment									
(540DGA04)	Provide funds to support a statewide multidimensional recruitment and information program to encourage persons to enter the teaching profession and to seek employment in Kentucky.									
General Fund									515,000	515,000
Total									515,000	515,000
28 NEW	Professional Development Leadership & Mentor Fund									
(540DGA05)	Provide funds to support the Professional Development Leadership & Mentor Fund.									
General Fund									500,000	500,000
Total									500,000	500,000
29 NEW	Center for Middle School Academic Achievement									
(540DGA06)	Provide funds to support the Center for Middle School Academic Achievement.									
General Fund									400,000	400,000
Total									400,000	400,000
TOTAL ADDITIONAL		865,400	865,400		13,823,700	12,551,800	(1,271,900)	15,744,200	18,174,500	2,430,300

FB 2000-2002 BUDGET MODIFICATION REPORT

Learning Support Services

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$40,400 in FY 1999-2000 and \$600,000 in FY 2000-2001 is provided to support review/re-establishment of student performance standards.

Additional General Fund support totaling \$1,100,000 in FY 2000-2001 and \$1,100,000 in FY 2001-2002 is provided to replace funds previously transferred from the SEEK Program (Pupil Transportation) to support costs relating to the Commonwealth Accountability Testing System (CATS).

Additional General Fund support totaling \$245,000 in FY 2000-2001 and \$257,500 in FY 2001-2002 is provided for scoring of alternative portfolios of children with moderate and severe disabilities involved in community based curriculums.

Additional General Fund support totaling \$383,400 in FY 2000-2001 and \$393,000 in FY 2001-2002 is provided to train and assist local educational areas in compiling and reporting data for the School Report Card.

Additional General Fund support totaling \$325,000 in FY 1999-2000, \$800,000 in FY 2000-2001, and \$850,000 in FY 2001-2002 is provided to develop Longitudinal Assessments for low scoring students in reading and mathematics.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$400,000 in FY 2001-2002 is provided for validity research and documentation regarding the Commonwealth Accountability Testing System (CATS).

Additional General Fund support totaling \$500,000 in FY 1999-2000, \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 is provided to operate the Kentucky Virtual High School.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 is provided to increase the Minority Educator Recruitment and Retention Scholarship awards from \$5,000 to \$6,000.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 is provided for the Gifted and Talented Program.

Additional General Fund support totaling \$60,000 in FY 2000-2001 is provided to purchase a school bus for the Kentucky School for the Blind.

Additional General Fund support totaling \$78,000 in FY 2000-2001 and \$156,000 in FY 2001-2002 is provided for 3 PFT positions in FY 2000-2001 and 3 additional PFT positions in FY 2001-2002 for technical assistance at the Kentucky School for the Blind for the Statewide Educational Resource Center for the Blind.

Additional General Fund support totaling \$150,000 in FY 2000-2001 and \$150,000 in FY 2001-2002 is provided for 3 additional positions for academic reinforcement at the Kentucky School for the Deaf.

FB 2000-2002 BUDGET MODIFICATION REPORT

Learning Support Services

Additional General Fund support totaling \$50,000 in FY 2000-2001 and \$35,000 in FY 2001-2002 is provided for the purchase of Braille textbooks for the Kentucky School for the Blind.

Additional General Fund support totaling \$270,000 in FY 2000-2001 and \$540,000 in FY 2001-2002 is provided to increase the stipends for teacher internship mentors by \$100 in FY 2000-2001 and an additional \$100 in FY 2001-2002 from the current stipend of \$1,000.

Additional General Fund support totaling \$900,000 in FY 2000-2001 and \$1,415,000 in FY 2001-2002 is provided to support personnel and operating expenses to establish the Education Professional Standards Board as an autonomous entity from the Kentucky Department of Education.

Additional General Fund support totaling \$700,000 in FY 2000-2001 and \$1,200,000 in FY 2001-2002 is provided for Kentucky teachers who pursue National Board Certification.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 is provided for core-subject assistance for teachers who are teaching out of their field of specialization.

Additional General Fund support totaling \$600,000 in FY 2000-2001 and \$700,000 in FY 2001-2002 is provided to strengthen of the evaluation process of teaching certificate renewals.

Additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$2,000,000 in FY 2001-2002 is provided to support teacher recruitment incentive bonuses for subject-matter and geographic areas.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 is provided to support various incentives for teacher recruitment, such as, tuition waivers, loan forgiveness, signing bonuses, etc.

Additional General Fund support totaling \$670,800 in FY 2000-2001 and \$697,700 in FY 2001-2002 is provided to support locally-operated area vocational schools in Christian County and Henderson County.

Additional General Fund support totaling \$3,850,000 in FY 2000-2001 and \$3,850,000 in FY 2001-2002 is provided to support comparative funding equalization for locally-operated secondary vocational area technology centers that is comparable to state-operated vocational programs offered by the Workforce Development Cabinet.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$116,500 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund EMPOWER KY Simplified Administrative Services savings are budgeted in the amount of \$20,000 in FY 2001-2002.

FB 2000-2002 BUDGET MODIFICATION REPORT

Learning Support Services

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to School Rewards Trust Fund, Kentucky Education Technology System, and Education Professional Standards Board (EPSB) as follows:

- a. School Rewards Trust Fund: Distribution of rewards to local schools shall be based on policy established by the Kentucky Board of Education.
- b. Kentucky Education Technology System: The School for the Deaf and the School for the Blind shall be fully eligible, along with local school districts, to participate in the Kentucky Education Technology System in a manner that takes into account the special needs of the students of these two schools.
- c. Education Professional Standards Board (EPSB): Notwithstanding any statute to the contrary, the EPSB may collect fees for the issuance of certifications. EPSB may charge the following fees at the corresponding amounts: issuance or reissuance (renewal) of regular certificate (to include all previously issued certifications and endorsements) - \$50; each transaction to add area(s) of certification or rank - \$50; issuance of five-year substitute certificate - \$15; issuance of duplicate certificate - \$25; reissuance of limited certification - \$35.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

Additional General Fund support totaling \$2,100,000 in FY 2001-2002 is provided to support the operating costs of Teacher Academies and stipends for teachers who attend.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 for increased Minority Educator and Recruitment Scholarship awards is not provided.

Additional General Fund support totaling \$540,000 in FY 2000-2001 and \$1,080,000 in FY 2001-2002 is provided to increase stipends to teacher internship mentors by a total of \$200 in each fiscal year.

Additional General Fund support totaling \$800,000 in FY 2000-2001 and \$1,000,000 in FY 2001-2002 is provided to support additional personnel and operating expenses for the Education Professional Standards Board within the Kentucky Department of Education.

Additional General Fund support totaling \$400,000 in FY 2000-2001 and \$800,000 in FY 2001-2002 is provided to support Kentucky teachers who pursue National Board Certification.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 for core-subject assistance for teachers who are teaching out of their field of specialization is not provided.

Additional General Fund support totaling \$700,000 in FY 2001-2002 is provided to strengthen the evaluation process of teaching certificate renewals.

Additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$2,000,000 in FY 2001-2002 for incentives for teacher recruitment with emphasis on geographic and subject matter areas is not provided.

FB 2000-2002 BUDGET MODIFICATION REPORT

Learning Support Services

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 for incentives for teacher recruitment (tuition waivers, loan forgiveness, signing bonuses, etc.) is not provided.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$74,600 in FY 2000-2001 and \$190,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support totaling \$750,000 in FY 2000-2001 and \$1,250,000 in FY 2001-2002 is provided to establish a Professional Growth Fund to enhance teacher quality.

Additional General Funds support totaling \$750,000 in each fiscal year is provided for stipend increases for supervisory teachers.

Additional General Fund support totaling \$515,000 in FY 2001-2002 is provided to support a statewide multidimensional recruitment and information program to encourage persons to enter the teaching profession and to seek employment in Kentucky.

Additional General Fund support totaling \$500,000 in FY 2001-2002 is provided to support the Professional Development Leadership and Mentor Fund.

Additional General Fund support totaling \$400,000 in FY 2001-2002 is provided to support the Center for Middle School Academic Achievement.

The General Assembly includes Part I, Operating Budget, language provision relating to the Professional Growth Fund and the Professional Development Leadership and Mentor Fund, that directs, the Commissioner of the Department of Education may transfer any available funds between the Professional Growth Fund and the Professional Development Leadership Mentor Fund as needed to satisfy the demand and need to support the respective teacher programs.

The General Assembly adds Part I, Operating Budget, language provisions that direct as follows: \$50,000 in each fiscal year to support a Community After School Program in local school district number 441 and \$50,000 in each fiscal year to support a Community After School Program in local school district number 365.

The General Assembly adds Part I, Operating Budget, language provisions that direct as follows:

The above General Fund appropriation includes \$40,000 in fiscal year 2000-2001 and \$40,000 in fiscal year 2001-2002 for the Kentucky Headstart Collaboration Project. These funds, as well as \$150,000 in Federal Funds in each fiscal year, shall be transferred to the Governor's Office of Early Childhood Development. The above General Fund appropriation includes \$3,850,000 in fiscal year 2000-2001 and \$3,850,000 in fiscal year 2001-2002 for technical education equalization. These funds shall not be expended prior to the development of specific criteria for equalization of funding for Level III programs offered by vocational/technical schools operated by local school districts and evaluation by the Workforce Development Cabinet of programs for which funding equalization is requested.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Learning Support Services

The General Assembly includes Part I, Operating Budget, language provision that directs, notwithstanding any statute or administrative regulation to the contrary, school district number 255, school district number 465, and school number 105 in school district number 275 shall be allowed to use their allocated Extended School Services program funds in a manner that will best meet the needs of their particular students.

The General Assembly adds Part IX, Special Provisions, relating to Area Centers and Vocational Departments Funding Formula as follows:

d. Area Centers and Vocational Departments Funding Formula: All funds appropriated in the budget for supplementing the programs and operations of the area centers and vocational departments of the following districts shall be distributed by a weighted formula that is promulgated in an administrative regulation by the Kentucky Board of Education: Allen County, Ballard County, Bowling Green Independent, Boyd County, Carter County, Christian County, Covington Independent, Edmonson County, Fayette County, Fleming County, Franklin County, Grayson County, Henderson County, Lawrence County, Lewis County, Livingston County, Magoffin County, Marshall County, McCreary County, Newport Independent, Powell County, Simpson County, Trigg County, Union County, and Jefferson County shall be distributed by a weighted formula that is promulgated in an administrative regulation by the Kentucky Board of Education. The weighted formula shall take into consideration the different costs of programs based on requirements for facilities, materials, and equipment to meet program standards, the number of students enrolled, and the number of hours students are enrolled. If the funding formula results in a reduction of funds from the fiscal year 1999-2000 allocation for a center or department that has maintained the same number and category of programs and meets all other criteria, the center shall receive no less than 70% of its fiscal year 1999-2000 allocation.

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**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

EDUCATION, ARTS & HUMANITIES

JUNE 7, 2000

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Education, Arts and Humanities

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Secretary	2,632,600	2,707,100	2,769,500	62,400	2,771,500	3,251,500	480,000
Kentucky Arts Council	4,216,600	4,342,400	4,801,700	459,300	4,472,600	4,895,500	422,900
Teachers' Retirement System	75,828,000	75,829,500	75,829,500		82,222,300	82,222,300	
School Facilities Construction Commission	70,864,000	72,145,200	72,145,200		79,030,500	79,030,500	
Deaf and Hard of Hearing	853,200	881,900	875,700	(6,200)	902,100	898,600	(3,500)
Kentucky Heritage Council	901,900	989,200	978,100	(11,100)	1,046,500	977,600	(68,900)
Kentucky Educational Television	14,770,000	15,173,200	15,141,900	(31,300)	17,039,500	17,063,300	23,800
Kentucky Historical Society	5,756,100	6,188,700	6,260,200	71,500	6,408,200	6,502,700	94,500
Libraries and Archives - General Operations	6,611,000	6,844,700	6,796,100	(48,600)	7,318,900	7,663,300	344,400
Libraries and Archives - Direct Local Aid	6,614,500	6,675,500	6,675,500		6,675,500	6,675,500	
Kentucky Center for the Arts	625,500	640,500	640,500		655,900	655,900	
Operating Budget Total	189,673,400	192,417,900	192,913,900	496,000	208,543,500	209,836,700	1,293,200

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT

Cabinet/Function: Education, Arts and Humanities

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Secretary	97,000	70,400	70,400		70,400	70,400	
Kentucky Arts Council	669,500	448,500	448,500		456,500	456,500	
Teachers' Retirement System	4,733,100	5,696,400	5,696,400		6,021,000	6,021,000	
Deaf and Hard of Hearing	221,200	200,000	200,000		200,000	200,000	
Kentucky Heritage Council	240,000	246,800	246,800		256,300	256,300	
Kentucky Educational Television	2,885,500	1,146,300	1,146,300		1,226,500	1,226,500	
Kentucky Historical Society	777,000	521,400	521,400		643,400	643,400	
Libraries and Archives - General Operations	1,490,000	1,822,600	1,822,600		1,879,700	1,879,700	
Libraries and Archives - Direct Local Aid	9,000	9,000	9,000		9,000	9,000	
Environmental Education Council	232,000	150,000	150,000		150,000	150,000	
Operating Budget Total	11,354,300	10,311,400	10,311,400		10,912,800	10,912,800	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT

Cabinet/Function: Education, Arts and Humanities

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Secretary	10,000						
Kentucky Arts Council	606,000	600,000	600,000		611,300	611,300	
Kentucky Heritage Council	934,200	795,800	795,800		795,800	795,800	
Kentucky Educational Television	700,000	700,000	700,000		700,000	700,000	
Kentucky Historical Society	186,000	111,100	111,100		413,100	413,100	
Libraries and Archives - General Operations	1,499,000	1,684,900	1,684,900		1,724,700	1,724,700	
Libraries and Archives - Direct Local Aid	541,000	576,000	576,000		576,000	576,000	
Operating Budget Total	4,476,200	4,467,800	4,467,800		4,820,900	4,820,900	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Education, Arts and Humanities

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Secretary	2,739,600	2,777,500	2,839,900	62,400	2,841,900	3,321,900	480,000
Kentucky Arts Council	5,492,100	5,390,900	5,850,200	459,300	5,540,400	5,963,300	422,900
Teachers' Retirement System	80,561,100	81,525,900	81,525,900		88,243,300	88,243,300	
School Facilities Construction Commission	70,864,000	72,145,200	72,145,200		79,030,500	79,030,500	
Deaf and Hard of Hearing	1,074,400	1,081,900	1,075,700	(6,200)	1,102,100	1,098,600	(3,500)
Kentucky Heritage Council	2,076,100	2,031,800	2,020,700	(11,100)	2,098,600	2,029,700	(68,900)
Kentucky Educational Television	18,355,500	17,019,500	16,988,200	(31,300)	18,966,000	18,989,800	23,800
Kentucky Historical Society	6,719,100	6,821,200	6,892,700	71,500	7,464,700	7,559,200	94,500
Libraries and Archives - General Operations	9,600,000	10,352,200	10,303,600	(48,600)	10,923,300	11,267,700	344,400
Libraries and Archives - Direct Local Aid	7,164,500	7,260,500	7,260,500		7,260,500	7,260,500	
Kentucky Center for the Arts	625,500	640,500	640,500		655,900	655,900	
Environmental Education Council	232,000	150,000	150,000		150,000	150,000	
Operating Budget Total	205,503,900	207,197,100	207,693,100	496,000	224,277,200	225,570,400	1,293,200

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	189,673,400	189,673,400		192,417,900	192,913,900	496,000	208,543,500	209,836,700	1,293,200
Restricted Funds	11,354,300	11,354,300		10,311,400	10,311,400		10,912,800	10,912,800	
Federal Funds	4,476,200	4,476,200		4,467,800	4,467,800		4,820,900	4,820,900	
Regular Total Funds	205,503,900	205,503,900		207,197,100	207,693,100	496,000	224,277,200	225,570,400	1,293,200
General Fund Continuing									
GRAND TOTAL FUNDS	205,503,900	205,503,900		207,197,100	207,693,100	496,000	224,277,200	225,570,400	1,293,200
II. EXPENDITURE CATEGORY									
Personnel Costs	27,313,500	27,313,500		28,961,800	28,821,500	(140,300)	30,781,000	30,685,900	(95,100)
Operating Expenses	15,554,500	15,554,500		15,608,600	15,608,600		15,848,400	15,848,400	
Grants, Loans, Benefits	89,879,500	89,879,500		89,514,700	90,151,000	636,300	95,974,500	97,362,800	1,388,300
Debt Service	70,632,000	70,632,000		71,907,700	71,907,700		80,581,300	80,581,300	
Capital Outlay	1,273,100	1,273,100		504,300	504,300		392,000	392,000	
Construction	851,300	851,300		700,000	700,000		700,000	700,000	
TOTAL EXPENDITURES	205,503,900	205,503,900		207,197,100	207,693,100	496,000	224,277,200	225,570,400	1,293,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	189,673,400	189,673,400		184,256,700	184,056,700	(200,000)	184,534,400	184,334,400	(200,000)
Restricted Funds	11,354,300	11,354,300		9,455,600	9,455,600		9,848,700	9,848,700	
Federal Funds	4,476,200	4,476,200		4,467,800	4,467,800		4,820,900	4,820,900	
Regular Total Funds	205,503,900	205,503,900		198,180,100	197,980,100	(200,000)	199,204,000	199,004,000	(200,000)
General Fund Continuing									
TOTAL BASE LEVEL	205,503,900	205,503,900		198,180,100	197,980,100	(200,000)	199,204,000	199,004,000	(200,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				8,161,200	8,857,200	696,000	24,009,100	25,502,300	1,493,200
Restricted Funds				855,800	855,800		1,064,100	1,064,100	
TOTAL ADDITIONAL				9,017,000	9,713,000	696,000	25,073,200	26,566,400	1,493,200

Appropriation Unit:

150,000 150,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Secretary

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Secretary

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,632,600	2,632,600		2,707,100	2,769,500	62,400	2,771,500	3,251,500	480,000
Restricted Funds	97,000	97,000		70,400	70,400		70,400	70,400	
Federal Funds	10,000	10,000							
Regular Total Funds	2,739,600	2,739,600		2,777,500	2,839,900	62,400	2,841,900	3,321,900	480,000
General Fund Continuing									
GRAND TOTAL FUNDS	2,739,600	2,739,600		2,777,500	2,839,900	62,400	2,841,900	3,321,900	480,000
II. EXPENDITURE CATEGORY									
Personnel Costs	528,600	528,600		637,100	634,500	(2,600)	667,100	667,100	
Operating Expenses	188,000	188,000		162,300	162,300		174,100	174,100	
Grants, Loans, Benefits	2,023,000	2,023,000		1,978,100	2,043,100	65,000	2,000,700	2,480,700	480,000
TOTAL EXPENDITURES	2,739,600	2,739,600		2,777,500	2,839,900	62,400	2,841,900	3,321,900	480,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,632,600	2,632,600		2,627,800	2,427,800	(200,000)	2,690,900	2,490,900	(200,000)
Restricted Funds	97,000	97,000		70,400	70,400		70,400	70,400	
Federal Funds	10,000	10,000							
Regular Total Funds	2,739,600	2,739,600		2,698,200	2,498,200	(200,000)	2,761,300	2,561,300	(200,000)
General Fund Continuing									
TOTAL BASE LEVEL	2,739,600	2,739,600		2,698,200	2,498,200	(200,000)	2,761,300	2,561,300	(200,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				79,300	341,700	262,400	80,600	760,600	680,000
TOTAL ADDITIONAL				79,300	341,700	262,400	80,600	760,600	680,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Governor's School for the Arts								
(530SH0X01)	Provide funds to expand the program from 164 to 200 students.								
General Fund					100,000	100,000		105,000	105,000
Total					100,000	100,000		105,000	105,000
2 EXPAN	Administrative Services Office								
(530SA0X01)	Provide funds to support 1 position to coordinate the Cabinet's fiscal, personnel and information technology.								
General Fund				76,700	76,700		80,600	80,600	
Total				76,700	76,700		80,600	80,600	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Secretary

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Secretary

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3 NEW	Blue Apple Players									
(530GA01)	Provide funds to support grant to Blue Apple Players.									
General Fund						50,000	50,000		50,000	50,000
Total						50,000	50,000		50,000	50,000
4 NEW	East Kentucky Center for Science, Mathematics, and Technology									
(530GA02)	Provide funds to support grant to East Kentucky Center for Science, Mathematics, and Technology.									
General Fund						75,000	75,000		75,000	75,000
Total						75,000	75,000		75,000	75,000
5 EXPAN	Governor's Scholars Program									
(530GA03)	Provide funds to support adding 25 students to the existing campuses in FY 2000-2001 and a third campus in FY 2001-2002 of 300 to 350 students.									
General Fund						40,000	40,000		450,000	450,000
Total						40,000	40,000		450,000	450,000
6 NEW	Wage Equity									
(530SA0X02)	Provide funds to support salary improvement.									
General Fund						2,600	(2,600)			
Total						2,600	(2,600)			
TOTAL ADDITIONAL					79,300	341,700	262,400	80,600	760,600	680,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Office of the Secretary

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$76,700 in FY 2000-2001 and \$80,600 in FY 2001-2002 is provided for 1 PFT (fiscal officer) to coordinate Cabinet fiscal, personnel and information technology.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$2,600 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$1,191,400 in FY 2000-2001 and \$1,220,000 in FY 2001-2002 for the Governor's Scholars Program; \$300,000 each year for the Governor's School for the Arts and \$4,100 in FY 2000-2001 and \$4,200 in FY 2001-2002 for the operating expenses of the Martin Luther King, Jr. Commission.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget with the following changes: Additional General Fund support in the amount of \$50,000 each fiscal year is provided for operating expenses for the Blue Apple Players and \$75,000 is provided each fiscal year for the East Kentucky Center for Science, Math and Technology.

The Governor's School for the Arts is provided additional General Fund support totaling \$100,000 in FY 2000-2001 and \$105,000 in FY 2001-2002.

The Governor's Scholars Program is provided additional General Fund support totaling \$40,000 in FY 2000-2001 to add 25 student to the existing campuses and \$450,000 in FY 2001-2002 to create a new campus that will accommodate 300 to 350 students.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly rebudgeted \$200,000 from the base level appropriation directly to Morehead State University for the Folk Art Center.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Arts Council

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Arts Council

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,216,600	4,216,600		4,342,400	4,801,700	459,300	4,472,600	4,895,500	422,900
Restricted Funds	669,500	669,500		448,500	448,500		456,500	456,500	
Federal Funds	606,000	606,000		600,000	600,000		611,300	611,300	
Regular Total Funds	5,492,100	5,492,100		5,390,900	5,850,200	459,300	5,540,400	5,963,300	422,900
General Fund Continuing									
GRAND TOTAL FUNDS	5,492,100	5,492,100		5,390,900	5,850,200	459,300	5,540,400	5,963,300	422,900
II. EXPENDITURE CATEGORY									
Personnel Costs	938,800	938,800		1,018,300	995,300	(23,000)	1,089,100	1,042,700	(46,400)
Operating Expenses	713,200	713,200		689,500	689,500		695,300	695,300	
Grants, Loans, Benefits	3,820,100	3,820,100		3,663,100	4,145,400	482,300	3,736,000	4,205,300	469,300
Capital Outlay	20,000	20,000		20,000	20,000		20,000	20,000	
TOTAL EXPENDITURES	5,492,100	5,492,100		5,390,900	5,850,200	459,300	5,540,400	5,963,300	422,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	4,216,600	4,216,600		4,316,800	4,316,800		4,421,400	4,421,400	
Restricted Funds	669,500	669,500		448,500	448,500		456,500	456,500	
Federal Funds	606,000	606,000		600,000	600,000		611,300	611,300	
Regular Total Funds	5,492,100	5,492,100		5,365,300	5,365,300		5,489,200	5,489,200	
General Fund Continuing									
TOTAL BASE LEVEL	5,492,100	5,492,100		5,365,300	5,365,300		5,489,200	5,489,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				25,600	484,900	459,300	51,200	474,100	422,900
TOTAL ADDITIONAL				25,600	484,900	459,300	51,200	474,100	422,900
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity								
(529KA0X02)	Provide funds to support salary improvement.								
General Fund				25,600	2,600	(23,000)	51,200	4,800	(46,400)
Total				25,600	2,600	(23,000)	51,200	4,800	(46,400)
2 NEW	Public Radio Support								
(529GA02)	Provide funds to support a grant for WRVG Public Radio in Georgetown.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Arts Council

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Arts Council

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Public Radio Support									
(529GA02)	Provide funds to support a grant for WRVG Public Radio in Georgetown.									
General Fund						50,000	50,000		50,000	50,000
Total						50,000	50,000		50,000	50,000
3 NEW	Crafts Marketing									
(529GA03)	Provide funds to support expansion of crafts marketing.									
General Fund						272,300	272,300		259,300	259,300
Total						272,300	272,300		259,300	259,300
4 NEW	Mountain Arts Center									
(529GA04)	Provide funds to support the operations of the Mountain Arts Center.									
General Fund						160,000	160,000		160,000	160,000
Total						160,000	160,000		160,000	160,000
TOTAL ADDITIONAL					25,600	484,900	459,300	51,200	474,100	422,900

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Kentucky Arts Council

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$25,600 in FY 2000-2001 and \$51,200 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget with the following changes:

General Fund support in the amount of \$50,000 is provided each fiscal year for the Public Radio Station WRVG in Georgetown.

General Fund support in the amount of \$160,000 each fiscal year is provided for operating expenses for the Mountain Arts Center.

General Fund support in the amount of \$272,300 in FY 2000-2001 and \$259,300 in 2001-2002 is provided for the Crafts Marketing Program.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, General Fund support is provided in the amount of \$2,600 in FY 2000-2001 and \$4,800 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Teachers' Retirement System

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Teachers' Retirement System

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	75,828,000	75,828,000		75,829,500	75,829,500		82,222,300	82,222,300	
Restricted Funds	4,733,100	4,733,100		5,696,400	5,696,400		6,021,000	6,021,000	
Regular Total Funds	80,561,100	80,561,100		81,525,900	81,525,900		88,243,300	88,243,300	
General Fund Continuing									
GRAND TOTAL FUNDS	80,561,100	80,561,100		81,525,900	81,525,900		88,243,300	88,243,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	3,914,200	3,914,200		4,491,800	4,491,800		4,903,600	4,903,600	
Operating Expenses	753,900	753,900		1,099,300	1,099,300		1,079,400	1,079,400	
Grants, Loans, Benefits	75,828,000	75,828,000		75,829,500	75,829,500		82,222,300	82,222,300	
Capital Outlay	65,000	65,000		105,300	105,300		38,000	38,000	
TOTAL EXPENDITURES	80,561,100	80,561,100		81,525,900	81,525,900		88,243,300	88,243,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	75,828,000	75,828,000		69,819,200	69,819,200		68,410,900	68,410,900	
Restricted Funds	4,733,100	4,733,100		4,846,700	4,846,700		4,963,000	4,963,000	
Regular Total Funds	80,561,100	80,561,100		74,665,900	74,665,900		73,373,900	73,373,900	
General Fund Continuing									
TOTAL BASE LEVEL	80,561,100	80,561,100		74,665,900	74,665,900		73,373,900	73,373,900	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				6,010,300	6,010,300		13,811,400	13,811,400	
Restricted Funds				849,700	849,700		1,058,000	1,058,000	
TOTAL ADDITIONAL				6,860,000	6,860,000		14,869,400	14,869,400	
V. ADDITIONAL BUDGET ITEMS									
1 MTCMAN	Benefits - Employer Match (Sick Leave Liability)								
(560RB0X02)	Provide amortized funds to support the employee contribution level for the sick leave liability for those employees of local boards of education who are compensated for unused sick leave days.								
General Fund				3,698,800	3,698,800		7,886,400	7,886,400	
Total				3,698,800	3,698,800		7,886,400	7,886,400	
2 EXPAN	Benefits - Cost-Of-Living Adjustments (COLA) - KRS 161.620								
(560RB0X01)	Provide funds to support a .8% in FY 2000-2001 and an additional 1% in FY 2001-2002 Cost-Of-Living-Adjustment each year for beneficiaries. (This benefit is in addition to the 1.5% COLA provided annually)								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Teachers' Retirement System

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Teachers' Retirement System

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS								
2	EXPAN	Benefits - Cost-Of-Living Adjustments (COLA) - KRS 161.620						
(560RB0X01)	Provide funds to support a .8% in FY 2000-2001 and an additional 1% in FY 2001-2002 Cost-Of-Living-Adjustment each year for beneficiaries. (This benefit is in addition to the 1.5% COLA provided annually)							
General Fund			2,311,500	2,311,500		5,925,000	5,925,000	
Total			2,311,500	2,311,500		5,925,000	5,925,000	
3	NEW	Operations - Call Center/Imaging Section - Additional Employees						
(560RB0X03)	Provide funds to support personnel & operating costs to establish a KTRS Call Center and an Optical Imaging Section. (9 PFT positions in FY 2000-01 and 9 additional PFT positions in FY 2001-02)							
Restricted Funds			849,700	849,700		1,058,000	1,058,000	
Total			849,700	849,700		1,058,000	1,058,000	
TOTAL ADDITIONAL			6,860,000	6,860,000		14,869,400	14,869,400	

FB 2000-2002 BUDGET MODIFICATION REPORT

Teachers' Retirement System

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs with the following exceptions:

Additional General Fund support totaling \$2,311,500 in FY 2000-2001 and \$5,925,000 in FY 2001-2002 is recommended to provide an additional cost-of-living adjustment for retired teachers equal to eight tenths percent (.8%) in FY 2000-2001 and an additional two tenths percent (.2%) in FY 2001-2002. The Branch Budget Bill, Part I, Operating Budget, includes language provision stating that these funds, when combined with the funding support provided for the annual 1.5% retirement allowance as provided in KRS 161.620 will provide a total increase in retirement allowances for eligible system members and beneficiaries equal to 2.3% in FY 2000-2001 and an additional 2.5% in FY 2001-2002.

Additional General Fund support totaling \$3,698,800 in FY 2000-2001 and \$7,886,400 in FY 2001-2002 is provided to support the cost of amortizing the sick leave requirements pursuant to KRS 161.155 for members retiring during the 2000-2002 biennium.

Additional Restricted Funds support totaling \$849,700 in FY 2000-2001 and \$1,058,000 in FY 2001-2002 is provided to establish a KTRS Call Center and an Optical Imaging Section. Funding supports personnel and operating costs for nine (9) PFT positions in FY 2000-2001 and an additional nine (9) PFT positions in FY 2001-2002.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, notwithstanding KRS 161.550, General Fund moneys are appropriated to comply with the obligations of the state under the Teachers' Retirement statutes as provided in KRS 161.220 to 161.716.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, notwithstanding KRS 161.550, the General Fund appropriation in conjunction with those included elsewhere within the Branch Budget Bill for the Teacher's Retirement System, is based upon estimated funds necessary to meet the requirements of KRS 161.220 to 161.716. If these combined General Fund appropriations are in excess of these requirements, the excess funds shall lapse to the credit of the General Fund.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs an amount not greater than 4% of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system in accordance with KRS 161.420.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs no General Fund moneys are provided in either fiscal year to support the cost of administration.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following equipment purchases: Restricted Funds totaling \$700,000 are reauthorized for the procurement of an imaging system.

The Branch Budget Bill, Part V, Funds Transfer, directs that notwithstanding KRS 161.550, Restricted Funds totaling \$3,900,000 in FY 1999-2000 are transferred to the General Fund from excess appropriation for FY 1998-99.

The Branch Budget Bill, Part IX, Special Provisions, includes language provision relating to Highly Skilled Educators' Retirement Benefits as follows:

a. Highly Skilled Educators' Retirement Benefits: Notwithstanding KRS Chapters 158 and 161, salary supplements received by persons selected as Highly Skilled Educators on or after July 1, 2000, shall not be included in the total salary compensation for any retirement benefits to which the employee may be entitled.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:

Cabinet/Function:

Executive Branch
Education, Arts and Humanities

Agency:

Appropriation Unit:

Teachers' Retirement System
Teachers' Retirement System

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 (5601196)

Imaging System - Reauthorization (\$700,000 - Restricted Funds)

Total

TOTAL

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: School Facilities Construction Commission

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: School Facilities Construction Commission

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	70,864,000	70,864,000		72,145,200	72,145,200		79,030,500	79,030,500	
Regular Total Funds	70,864,000	70,864,000		72,145,200	72,145,200		79,030,500	79,030,500	
General Fund Continuing									
GRAND TOTAL FUNDS	70,864,000	70,864,000		72,145,200	72,145,200		79,030,500	79,030,500	
II. EXPENDITURE CATEGORY									
Personnel Costs	205,000	205,000		210,000	210,000		216,100	216,100	
Operating Expenses	27,000	27,000		27,500	27,500		27,100	27,100	
Debt Service	70,632,000	70,632,000		71,907,700	71,907,700		78,787,300	78,787,300	
TOTAL EXPENDITURES	70,864,000	70,864,000		72,145,200	72,145,200		79,030,500	79,030,500	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	70,864,000	70,864,000		70,345,200	70,345,200		70,930,500	70,930,500	
Regular Total Funds	70,864,000	70,864,000		70,345,200	70,345,200		70,930,500	70,930,500	
General Fund Continuing									
TOTAL BASE LEVEL	70,864,000	70,864,000		70,345,200	70,345,200		70,930,500	70,930,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,800,000	1,800,000		8,100,000	8,100,000	
TOTAL ADDITIONAL				1,800,000	1,800,000		8,100,000	8,100,000	
V. ADDITIONAL BUDGET ITEMS									
1 MTCE	Debt Service - Bond Funds (\$92 million)								
(345AA0X01)	Provide debt service for previously authorized but unissued Bond Funds totaling \$92 million in FY 2000-2001 to support local school district capital construction projects.								
General Fund				1,800,000	1,800,000		8,100,000	8,100,000	
Total				1,800,000	1,800,000		8,100,000	8,100,000	
TOTAL ADDITIONAL				1,800,000	1,800,000		8,100,000	8,100,000	

FB 2000-2002 BUDGET MODIFICATION REPORT

School Facilities Construction Commission BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs with the following exceptions:

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$1,800,000 in FY 2000-2001 and \$8,100,000 in FY 2001-2002 for previously authorized, but unissued bonds totaling \$92,000,000.

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$70,107,700 in FY 2000-2001 and \$70,687,300 in FY 2001-2002 for debt service payments for bonds previously issued.

The Branch Budget Bill, Part I, Operating Budget includes language provision that directs the School Facilities Construction Commission to make an additional \$100,000,000 in offers of assistance during FB 2000-2002 in anticipation of debt service availability during FB 2002-2004. No bonded indebtedness based on the \$100,000,000 is to be incurred during FB 2000-2002.

The Branch Budget Bill, Part II, Capital Projects Budget, provides: Bond Funds totaling \$92,000,000 in FY 2000-2001.

The Branch Budget Bill, Part IX, Special Provisions, includes language provision relating to Local District Facilities Plans as follows:

a. Local Districts Facilities Plans: Notwithstanding the provisions of KRS 157.622(3), funds allocated by the School Facilities Construction Commission to local school districts for fiscal year 2000-2001 and fiscal year 2001-2002 shall be applied to the projects listed in the most current facility plan approved for the district by the Kentucky Board of Education and the funds shall be applied to projects in the priority order listed in the plan.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly adds Part II, Capital Projects Budget, reauthorization of Bond Funds totaling \$17,000,000.

The General Assembly adds Part IX, Special Provisions, relating to Offers of Assistance, Bond Sales, Extending Offers of Assistance, and Additional Growth Nickel Levy as follows:

b. Offers of Assistance: Notwithstanding any provisions of KRS 157.611 through KRS 157.665 to the contrary, the School Facilities Construction Commission is authorized to make offers of assistance to eligible schools in an amount not to exceed \$100,000,000 during the fiscal 2000-2002 biennium.

c. Bond Sales: Bond Sales prior to June 30, 2000, are limited to the amount that can be supported on an annual basis by the amount of debt service appropriated in Part I of this Act.

d. Extending Offers of Assistance: Notwithstanding KRS 157.622(5), a local school district may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed six (6) years.

e. Additional Growth Nickel Levy: The Facilities Support Program of Kentucky is fully funded in FB 2000-2002. Notwithstanding KRS 157.621(3), local school districts may exercise authority expressed in KRS 157.621(1) and (2).

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: School Facilities Construction Commission

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: School Facilities Construction Commission

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				92,000,000	92,000,000				
TOTAL CAPITAL				92,000,000	92,000,000				
II. CAPITAL PROJECTS									
1 (3451418) School Facilities Construction Commission									
Bond Funds				92,000,000	92,000,000				
Total				92,000,000	92,000,000				
2 (345GA01) School Facilities Construction Commission - Reauthorization - Bond Funds (\$17 million)									
Total									
TOTAL				92,000,000	92,000,000				

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Deaf and Hard of Hearing

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Deaf and Hard of Hearing

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	853,200	853,200		881,900	875,700	(6,200)	902,100	898,600	(3,500)
Restricted Funds	221,200	221,200		200,000	200,000		200,000	200,000	
Regular Total Funds	1,074,400	1,074,400		1,081,900	1,075,700	(6,200)	1,102,100	1,098,600	(3,500)
General Fund Continuing									
GRAND TOTAL FUNDS	1,074,400	1,074,400		1,081,900	1,075,700	(6,200)	1,102,100	1,098,600	(3,500)
II. EXPENDITURE CATEGORY									
Personnel Costs	682,400	682,400		770,800	764,600	(6,200)	794,200	790,700	(3,500)
Operating Expenses	300,000	300,000		307,100	307,100		302,900	302,900	
Grants, Loans, Benefits	2,000	2,000		4,000	4,000		5,000	5,000	
Capital Outlay	90,000	90,000							
TOTAL EXPENDITURES	1,074,400	1,074,400		1,081,900	1,075,700	(6,200)	1,102,100	1,098,600	(3,500)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	853,200	853,200		873,700	873,700		894,700	894,700	
Restricted Funds	221,200	221,200		200,000	200,000		200,000	200,000	
Regular Total Funds	1,074,400	1,074,400		1,073,700	1,073,700		1,094,700	1,094,700	
General Fund Continuing									
TOTAL BASE LEVEL	1,074,400	1,074,400		1,073,700	1,073,700		1,094,700	1,094,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				8,200	2,000	(6,200)	7,400	3,900	(3,500)
TOTAL ADDITIONAL				8,200	2,000	(6,200)	7,400	3,900	(3,500)
V. ADDITIONAL BUDGET ITEMS									
1 NEW Wage Equity									
(340TA0X04)	Provide funds to support salary improvement.								
General Fund				8,200	2,000	(6,200)	7,400	3,900	(3,500)
Total				8,200	2,000	(6,200)	7,400	3,900	(3,500)
TOTAL ADDITIONAL				8,200	2,000	(6,200)	7,400	3,900	(3,500)

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Commission on the Deaf and Hard of Hearing

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$8,200 in FY 2000-2001 and \$7,400 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, General Fund Support is provided in the amount of \$2,000 in FY 2000-2001 and \$3,900 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Heritage Council

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Heritage Council

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	901,900	901,900		989,200	978,100	(11,100)	1,046,500	977,600	(68,900)
Restricted Funds	240,000	240,000		246,800	246,800		256,300	256,300	
Federal Funds	934,200	934,200		795,800	795,800		795,800	795,800	
Regular Total Funds	2,076,100	2,076,100		2,031,800	2,020,700	(11,100)	2,098,600	2,029,700	(68,900)
General Fund Continuing									
GRAND TOTAL FUNDS	2,076,100	2,076,100		2,031,800	2,020,700	(11,100)	2,098,600	2,029,700	(68,900)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,075,600	1,075,600		1,219,800	1,183,700	(36,100)	1,314,700	1,245,800	(68,900)
Operating Expenses	365,300	365,300		370,000	370,000		369,400	369,400	
Grants, Loans, Benefits	635,200	635,200		442,000	467,000	25,000	414,500	414,500	
TOTAL EXPENDITURES	2,076,100	2,076,100		2,031,800	2,020,700	(11,100)	2,098,600	2,029,700	(68,900)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	901,900	901,900		953,100	953,100		977,600	977,600	
Restricted Funds	240,000	240,000		246,800	246,800		256,300	256,300	
Federal Funds	934,200	934,200		795,800	795,800		795,800	795,800	
Regular Total Funds	2,076,100	2,076,100		1,995,700	1,995,700		2,029,700	2,029,700	
General Fund Continuing									
TOTAL BASE LEVEL	2,076,100	2,076,100		1,995,700	1,995,700		2,029,700	2,029,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				36,100	25,000	(11,100)	68,900		(68,900)
TOTAL ADDITIONAL				36,100	25,000	(11,100)	68,900		(68,900)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Downtown Revitalization Program-Mayfield								
(410GA01)	Provide funds to support a grant for Downtown Revitalization Program in Mayfield.								
General Fund					25,000	25,000			
Total					25,000	25,000			
2 NEW	Wage Equity								
(410RA0X03)	Provide funds to support salary improvement.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Heritage Council

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Heritage Council

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Wage Equity									
(410RA0X03)	Provide funds to support salary improvement.									
General Fund					36,100		(36,100)	68,900		(68,900)
Total					36,100		(36,100)	68,900		(68,900)
TOTAL ADDITIONAL					36,100	25,000	(11,100)	68,900		(68,900)

FB 2000-2002 BUDGET MODIFICATION REPORT

Kentucky Heritage Council

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget includes General Fund support totaling \$44,000 in FY 2000-2001 and \$47,000 in FY 2000-2002 within Base Level Budget to reclassify a vacant position to serve as Project Architect.

Wage Equity Plan funding, which includes the value of a annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$36,100 in FY 2000-2001 and \$68,900 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget with the following changes:

General Fund support in the amount of \$25,000 is provided in FY 2000-2001 for a Downtown Revitalization Program in Mayfield.

The General Assembly directs that \$25,000 be expended from the Base Level Budget for the West Liberty Downtown Fountain Park to be matched dollar for dollar.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Educational Television

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Educational Television

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	14,770,000	14,770,000		15,173,200	15,141,900	(31,300)	17,039,500	17,063,300	23,800
Restricted Funds	2,885,500	2,885,500		1,146,300	1,146,300		1,226,500	1,226,500	
Federal Funds	700,000	700,000		700,000	700,000		700,000	700,000	
Regular Total Funds	18,355,500	18,355,500		17,019,500	16,988,200	(31,300)	18,966,000	18,989,800	23,800
General Fund Continuing									
GRAND TOTAL FUNDS	18,355,500	18,355,500		17,019,500	16,988,200	(31,300)	18,966,000	18,989,800	23,800
II. EXPENDITURE CATEGORY									
Personnel Costs	9,537,400	9,537,400		9,561,500	9,530,200	(31,300)	10,019,000	10,042,800	23,800
Operating Expenses	6,616,200	6,616,200		6,090,000	6,090,000		6,015,000	6,015,000	
Grants, Loans, Benefits	532,000	532,000		532,000	532,000		532,000	532,000	
Debt Service							1,564,000	1,564,000	
Capital Outlay	818,600	818,600		136,000	136,000		136,000	136,000	
Construction	851,300	851,300		700,000	700,000		700,000	700,000	
TOTAL EXPENDITURES	18,355,500	18,355,500		17,019,500	16,988,200	(31,300)	18,966,000	18,989,800	23,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	14,770,000	14,770,000		15,124,500	15,124,500		15,475,500	15,475,500	
Restricted Funds	2,885,500	2,885,500		1,146,300	1,146,300		1,226,500	1,226,500	
Federal Funds	700,000	700,000		700,000	700,000		700,000	700,000	
Regular Total Funds	18,355,500	18,355,500		16,970,800	16,970,800		17,402,000	17,402,000	
General Fund Continuing									
TOTAL BASE LEVEL	18,355,500	18,355,500		16,970,800	16,970,800		17,402,000	17,402,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				48,700	17,400	(31,300)	1,564,000	1,587,800	23,800
TOTAL ADDITIONAL				48,700	17,400	(31,300)	1,564,000	1,587,800	23,800
V. ADDITIONAL BUDGET ITEMS									
1 NEW	DTV-SDTV/HDTV Broadcast Transmission								
(545GG0X01)	Provided funds to support Bond Funds totaling \$12.7 million for 16 DTV Broadcast Transmitters to meet FCC mandate.								
General Fund							1,278,000	1,278,000	
Total							1,278,000	1,278,000	
2 NEW	NTSC Broadcast Transmitters								
(545GG0X02)	Provided funds to support Bond Funds totaling \$2.8 million to replace four remaining transmitters capable of transmitting stereo and second audio program channel.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Educational Television

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Educational Television

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	NEW	NTSC Broadcast Transmitters								
(545GG0X02)		Provided funds to support Bond Funds totaling \$2.8 million to replace four remaining transmitters capable of transmitting stereo and second audio program channel.								
General Fund								286,000	286,000	
Total								286,000	286,000	
3	NEW	Wage Equity								
(545GA0X01)		Provide funds to support salary improvement.								
General Fund					48,700	17,400	(31,300)		23,800	23,800
Total					48,700	17,400	(31,300)		23,800	23,800
TOTAL ADDITIONAL					48,700	17,400	(31,300)	1,564,000	1,587,800	23,800

FB 2000-2002 BUDGET MODIFICATION REPORT

KET

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget includes General Fund support totaling \$269,500 in FY 2000-2001, and \$283,000 in FY 2001-2002 in the Base Leve Budget I for operating funds to ensure the current level of service can be delivered in FB 2000-2002.

Wage Equity Plan funding, which includes the value of a annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$48,700 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects with associated debt service in Part I, Operating Budget: In FY 2000-2001 General Fund debt service of \$1,278,000 is provided to support Bond Funds totaling \$12,700,000 for 16 DTV Broadcast Transmitters. In FY 2000-2001 General Fund debt service of \$286,000 is provided to support Bond Funds totaling \$2,800,000 to replace 4 transmitters.

The Branch Budget recommends \$75,000 in each fiscal year to support improved services to the deaf and hard of hearing including closed captioning.

The Branch Budget includes \$370,000 in each fiscal year for the KET Fund for Independent Productions for matching grants.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget recommendation with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, General Fund support is provided in the amount of \$17,400 in FY 2000-2001 and \$23,800 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Educational Television

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Educational Television

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				15,500,000	15,500,000				
TOTAL CAPITAL				15,500,000	15,500,000				
II. CAPITAL PROJECTS									
1 (5451182) DTV-SDTV/HDTV Broadcast Transmission									
Bond Funds				12,700,000	12,700,000				
Total				12,700,000	12,700,000				
2 (5451186) NTSC Broadcast Transmitters									
Bond Funds				2,800,000	2,800,000				
Total				2,800,000	2,800,000				
TOTAL				15,500,000	15,500,000				

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Historical Society

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Historical Society

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,756,100	5,756,100		6,188,700	6,260,200	71,500	6,408,200	6,502,700	94,500
Restricted Funds	777,000	777,000		521,400	521,400		643,400	643,400	
Federal Funds	186,000	186,000		111,100	111,100		413,100	413,100	
Regular Total Funds	6,719,100	6,719,100		6,821,200	6,892,700	71,500	7,464,700	7,559,200	94,500
General Fund Continuing									
GRAND TOTAL FUNDS	6,719,100	6,719,100		6,821,200	6,892,700	71,500	7,464,700	7,559,200	94,500
II. EXPENDITURE CATEGORY									
Personnel Costs	3,660,100	3,660,100		3,807,400	3,814,900	7,500	4,195,700	4,226,200	30,500
Operating Expenses	2,920,300	2,920,300		2,889,300	2,889,300		3,144,500	3,144,500	
Grants, Loans, Benefits	138,700	138,700		124,500	188,500	64,000	124,500	188,500	64,000
TOTAL EXPENDITURES	6,719,100	6,719,100		6,821,200	6,892,700	71,500	7,464,700	7,559,200	94,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,756,100	5,756,100		6,162,500	6,162,500		6,388,100	6,388,100	
Restricted Funds	777,000	777,000		521,400	521,400		643,400	643,400	
Federal Funds	186,000	186,000		111,100	111,100		413,100	413,100	
Regular Total Funds	6,719,100	6,719,100		6,795,000	6,795,000		7,444,600	7,444,600	
General Fund Continuing									
TOTAL BASE LEVEL	6,719,100	6,719,100		6,795,000	6,795,000		7,444,600	7,444,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				26,200	97,700	71,500	20,100	114,600	94,500
TOTAL ADDITIONAL				26,200	97,700	71,500	20,100	114,600	94,500
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(550PA0X08)	Provide funds to support salary improvements.								
General Fund				26,200	33,700	7,500	20,100	50,600	30,500
Total				26,200	33,700	7,500	20,100	50,600	30,500
2 NEW	Oral History Commission								
(550GA01)	Provide funds to support the operations of the Oral History Commission.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Historical Society

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Historical Society

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Oral History Commission									
(550GA01)	Provide funds to support the operations of the Oral History Commission.									
General Fund						64,000	64,000		64,000	64,000
Total						64,000	64,000		64,000	64,000
TOTAL ADDITIONAL					26,200	97,700	71,500	20,100	114,600	94,500

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Kentucky Historical Society

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund, Restricted Funds, and Federal Funds support totaling \$355,800 in FY 2000-2001 and \$454,400 in FY 2001-2002 is provided in the Base Level Budget for operating fund to ensure the current level of service can be delivered in FB 2000-2002.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital project: Bond Funds totaling \$4,000,000 for Kentucky History Center Area Restoration. The project is budgeted in the Department of Facilities Management, Finance and Administration Cabinet.

Wage Equity Plan funding, which includes the value of a annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$26,200 in FY 2000-2001 and \$20,100 in FY 200-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, General Fund support is provided in the amount of \$33,700 in FY 2000-2001 and \$50,600 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support totaling \$64,000 is provided each fiscal year for operating and grant expenses for the Oral History Commission.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Libraries And Archives

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Summary

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	13,225,500	13,225,500		13,520,200	13,471,600	(48,600)	13,994,400	14,338,800	344,400
Restricted Funds	1,499,000	1,499,000		1,831,600	1,831,600		1,888,700	1,888,700	
Federal Funds	2,040,000	2,040,000		2,260,900	2,260,900		2,300,700	2,300,700	
Regular Total Funds	16,764,500	16,764,500		17,612,700	17,564,100	(48,600)	18,183,800	18,528,200	344,400
General Fund Continuing									
GRAND TOTAL FUNDS	16,764,500	16,764,500		17,612,700	17,564,100	(48,600)	18,183,800	18,528,200	344,400
II. EXPENDITURE CATEGORY									
Personnel Costs	6,637,900	6,637,900		7,107,300	7,058,700	(48,600)	7,438,400	7,407,800	(30,600)
Operating Expenses	3,029,100	3,029,100		3,347,900	3,347,900		3,402,900	3,402,900	
Grants, Loans, Benefits	6,818,000	6,818,000		6,914,500	6,914,500		6,914,500	7,289,500	375,000
Debt Service							230,000	230,000	
Capital Outlay	279,500	279,500		243,000	243,000		198,000	198,000	
TOTAL EXPENDITURES	16,764,500	16,764,500		17,612,700	17,564,100	(48,600)	18,183,800	18,528,200	344,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	13,225,500	13,225,500		13,393,400	13,393,400		13,688,900	13,688,900	
Restricted Funds	1,499,000	1,499,000		1,825,500	1,825,500		1,882,600	1,882,600	
Federal Funds	2,040,000	2,040,000		2,260,900	2,260,900		2,300,700	2,300,700	
Regular Total Funds	16,764,500	16,764,500		17,479,800	17,479,800		17,872,200	17,872,200	
General Fund Continuing									
TOTAL BASE LEVEL	16,764,500	16,764,500		17,479,800	17,479,800		17,872,200	17,872,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				126,800	78,200	(48,600)	305,500	649,900	344,400
Restricted Funds				6,100	6,100		6,100	6,100	
TOTAL ADDITIONAL				132,900	84,300	(48,600)	311,600	656,000	344,400

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Libraries And Archives

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Libraries and Archives - General Operations

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	6,611,000	6,611,000		6,844,700	6,796,100	(48,600)	7,318,900	7,663,300	344,400
Restricted Funds	1,490,000	1,490,000		1,822,600	1,822,600		1,879,700	1,879,700	
Federal Funds	1,499,000	1,499,000		1,684,900	1,684,900		1,724,700	1,724,700	
Regular Total Funds	9,600,000	9,600,000		10,352,200	10,303,600	(48,600)	10,923,300	11,267,700	344,400
General Fund Continuing									
GRAND TOTAL FUNDS	9,600,000	9,600,000		10,352,200	10,303,600	(48,600)	10,923,300	11,267,700	344,400
II. EXPENDITURE CATEGORY									
Personnel Costs	6,637,900	6,637,900		7,107,300	7,058,700	(48,600)	7,438,400	7,407,800	(30,600)
Operating Expenses	2,838,100	2,838,100		3,155,900	3,155,900		3,210,900	3,210,900	
Grants, Loans, Benefits	17,500	17,500		19,000	19,000		19,000	394,000	375,000
Debt Service							230,000	230,000	
Capital Outlay	106,500	106,500		70,000	70,000		25,000	25,000	
TOTAL EXPENDITURES	9,600,000	9,600,000		10,352,200	10,303,600	(48,600)	10,923,300	11,267,700	344,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	6,611,000	6,611,000		6,717,900	6,717,900		7,013,400	7,013,400	
Restricted Funds	1,490,000	1,490,000		1,816,500	1,816,500		1,873,600	1,873,600	
Federal Funds	1,499,000	1,499,000		1,684,900	1,684,900		1,724,700	1,724,700	
Regular Total Funds	9,600,000	9,600,000		10,219,300	10,219,300		10,611,700	10,611,700	
General Fund Continuing									
TOTAL BASE LEVEL	9,600,000	9,600,000		10,219,300	10,219,300		10,611,700	10,611,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				126,800	78,200	(48,600)	305,500	649,900	344,400
Restricted Funds				6,100	6,100		6,100	6,100	
TOTAL ADDITIONAL				132,900	84,300	(48,600)	311,600	656,000	344,400
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Document Management Digitization System- Debt Service								
(555QD0X01)	Provides funds to support Bond Funds totaling \$1,188,000 .								
General Fund							230,000	230,000	
Total							230,000	230,000	
2 NEW	Equipment- Voice Mail System								
(555QC0X03)	Provide funds to procure a new Voice Mail System which serves the Kentucky Talking Book Library used by disabled citizens.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Libraries And Archives

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Libraries and Archives - General Operations

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Equipment- Voice Mail System									
(555QC0X03)	Provide funds to procure a new Voice Mail System which serves the Kentucky Talking Book Library used by disabled citizens.									
General Fund					30,000	30,000				
Total					30,000	30,000				
3 NEW	Equipment- Multi-Task Copier									
(555QC0X02)	Provide funds to replace multi-task copier.									
General Fund					20,000	20,000				
Total					20,000	20,000				
4 NEW	Wage Equity									
(555QA0X01)	Provide funds to support salary improvement.									
General Fund					76,800	28,200	(48,600)	75,500	44,900	(30,600)
Restricted Funds					6,100	6,100		6,100	6,100	
Total					82,900	34,300	(48,600)	81,600	51,000	(30,600)
5 NEW	Public Library Construction and Renovation Fund									
(555AGA01)	Provide funds to establish a Public Library Construction and Renovation Fund									
General Fund									375,000	375,000
Total									375,000	375,000
TOTAL ADDITIONAL					132,900	84,300	(48,600)	311,600	656,000	344,400

FB 2000-2002 BUDGET MODIFICATION REPORT

Department for Libraries and Archives

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:
Additional General Fund support totaling \$30,000 in FY 2000-2001 is provided to purchase a Voice Mail System.

Additional General Fund support totaling \$20,000 in FY 2000-2001 is provided to replace a Multi-task Copier.

Additional General Fund support totaling \$230,000 in FY 2001-2002 is provided for debt service for Bond Funds of \$1,188,000 to purchase a Document Management Digitization System.

Wage Equity Plan funding, which includes the value of a annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$76,800 in FY 2000-01 and \$75,500 in FY 200-02 and Restricted Funds of \$6,100 each year is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustment equal to 1%, 2%, or 3% is provided for employees on anniversary increment dates based upon their length of service in the current job class/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects: Bond Funds totaling \$1,188,000 in FY 2000-2001 to purchase a Document Management Digitization System. In FY 2000-2001, General Fund support totaling \$200,000 is provided for a feasibility study for a New Archives Building.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget with the following changes: General Fund support in the amount of \$375,000 is provided in FY 2001-2002 for a Library Construction and Renovation Facilities Fund to assist local libraries with capital needs.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$34,300 in FY 2000-2001 and \$51,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly adds Part IX, Special Provision language provision relating to the Library Facilities Fund is provided as follows: There is established a Public Library Facilities fund for library improvements. The Department for Libraries and Archives is authorized to enter into long-term written memoranda of agreement with local libraries to assist in construction and renovation, including providing debt service payments. Such agreements shall specify the rights, duties, and obligations of both the local public library and the Department. The Department shall promulgate administrative regulations to establish the application process, criteria for selecting projects for assistance, and the process to be followed in the construction of facilities. The Department shall report assistance awards to the Interim Joint Committee on Appropriations and Revenue within 30 days of execution of any memorandum of agreement.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Libraries And Archives

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Libraries and Archives - General Operations

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				200,000	200,000				
Bond Funds				1,188,000	1,188,000				
TOTAL CAPITAL				1,388,000	1,388,000				
II. CAPITAL PROJECTS									
1 (5551380) Document Management Digitization System									
Bond Funds				1,188,000	1,188,000				
Total				1,188,000	1,188,000				
2 (5551196) Archival Storage Feasibility Study									
General Fund				200,000	200,000				
Total				200,000	200,000				
TOTAL				1,388,000	1,388,000				

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Libraries And Archives

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Libraries and Archives - Direct Local Aid

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	6,614,500	6,614,500		6,675,500	6,675,500		6,675,500	6,675,500	
Restricted Funds	9,000	9,000		9,000	9,000		9,000	9,000	
Federal Funds	541,000	541,000		576,000	576,000		576,000	576,000	
Regular Total Funds	7,164,500	7,164,500		7,260,500	7,260,500		7,260,500	7,260,500	
General Fund Continuing									
GRAND TOTAL FUNDS	7,164,500	7,164,500		7,260,500	7,260,500		7,260,500	7,260,500	
II. EXPENDITURE CATEGORY									
Operating Expenses	191,000	191,000		192,000	192,000		192,000	192,000	
Grants, Loans, Benefits	6,800,500	6,800,500		6,895,500	6,895,500		6,895,500	6,895,500	
Capital Outlay	173,000	173,000		173,000	173,000		173,000	173,000	
TOTAL EXPENDITURES	7,164,500	7,164,500		7,260,500	7,260,500		7,260,500	7,260,500	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	6,614,500	6,614,500		6,675,500	6,675,500		6,675,500	6,675,500	
Restricted Funds	9,000	9,000		9,000	9,000		9,000	9,000	
Federal Funds	541,000	541,000		576,000	576,000		576,000	576,000	
Regular Total Funds	7,164,500	7,164,500		7,260,500	7,260,500		7,260,500	7,260,500	
General Fund Continuing									
TOTAL BASE LEVEL	7,164,500	7,164,500		7,260,500	7,260,500		7,260,500	7,260,500	

**FB 2000-2002
BUDGET MODIFICATION REPORT**

KDLA-Direct Local Aid

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

The Branch Budget includes Part I, Operating Budget, language provision that directs, notwithstanding KRS 171.201 included in the General Fund support appropriation is \$3,669,500 in each fiscal year to award per capita grants at a rate of seventy-three cents.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Center for the Arts

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Center for the Arts

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	625,500	625,500		640,500	640,500		655,900	655,900	
Regular Total Funds	625,500	625,500		640,500	640,500		655,900	655,900	
General Fund Continuing									
GRAND TOTAL FUNDS	625,500	625,500		640,500	640,500		655,900	655,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	34,500	34,500		37,000	37,000		37,000	37,000	
Operating Expenses	591,000	591,000		603,500	603,500		618,900	618,900	
TOTAL EXPENDITURES	625,500	625,500		640,500	640,500		655,900	655,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	625,500	625,500		640,500	640,500		655,900	655,900	
Regular Total Funds	625,500	625,500		640,500	640,500		655,900	655,900	
General Fund Continuing									
TOTAL BASE LEVEL	625,500	625,500		640,500	640,500		655,900	655,900	

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Kentucky Center for the Arts

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception: The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects: In each year of the biennium, \$150,000 is provided for a Maintenance Pool supported with Investment Income.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Kentucky Center for the Arts

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Kentucky Center for the Arts

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				150,000	150,000		150,000	150,000	
TOTAL CAPITAL				150,000	150,000		150,000	150,000	
II. CAPITAL PROJECTS									
1 (5521188) Maintenance Pool									
Investment Income				150,000	150,000		150,000	150,000	
Total				150,000	150,000		150,000	150,000	
TOTAL				150,000	150,000		150,000	150,000	

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Environmental Education Council

Cabinet/Function: Education, Arts and Humanities

Appropriation Unit: Environmental Education Council

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	232,000	232,000		150,000	150,000		150,000	150,000	
Regular Total Funds	232,000	232,000		150,000	150,000		150,000	150,000	
General Fund Continuing									
GRAND TOTAL FUNDS	232,000	232,000		150,000	150,000		150,000	150,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	99,000	99,000		100,800	100,800		106,100	106,100	
Operating Expenses	50,500	50,500		22,200	22,200		18,900	18,900	
Grants, Loans, Benefits	82,500	82,500		27,000	27,000		25,000	25,000	
TOTAL EXPENDITURES	232,000	232,000		150,000	150,000		150,000	150,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	232,000	232,000		150,000	150,000		150,000	150,000	
Regular Total Funds	232,000	232,000		150,000	150,000		150,000	150,000	
General Fund Continuing									
TOTAL BASE LEVEL	232,000	232,000		150,000	150,000		150,000	150,000	

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Environmental Education Council

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

GENERAL ASSEMBLY:

The General Assembly concurs with the Branch Budget.

**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

FAMILIES AND CHILDREN

JUNE 7, 2000

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND (TOBACCO) BY BUDGET UNIT

Cabinet/Function: Families and Children

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly Difference	Branch	General Assembly Difference	
Community Based Services		9,188,100	(9,188,100)	7,708,600	(7,708,600)	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Families and Children

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Community Based Services	248,417,900	274,609,300	273,910,800	(698,500)	288,271,700	291,008,400	2,736,700
Administration Services	30,813,900	30,593,000	30,439,400	(153,600)	31,283,500	31,231,100	(52,400)
Operating Budget Subtotal	279,231,800	305,202,300	304,350,200	(852,100)	319,555,200	322,239,500	2,684,300
Continuing Appropriations							
Community Based Services	16,809,100	(4,172,500)		4,172,500	4,172,500		(4,172,500)
Operating Budget Total	296,040,900	301,029,800	304,350,200	3,320,400	323,727,700	322,239,500	(1,488,200)

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT**

Cabinet/Function: Families and Children

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly Difference	Branch	General Assembly Difference	
Community Based Services	80,060,900	93,754,000	93,280,100 (473,900)	98,361,900	98,550,000	188,100
Administration Services	7,756,100	4,202,300	4,183,400 (18,900)	4,187,600	4,168,700	(18,900)
Disability Determinations	300,000	74,000	74,000	75,800	75,800	
Operating Budget Total	88,117,000	98,030,300	97,537,500 (492,800)	102,625,300	102,794,500	169,200

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT**

Cabinet/Function: Families and Children

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General	Difference	Branch	General	Difference
			Assembly			Assembly	
Community Based Services	458,262,400	431,079,900	432,119,000	1,039,100	445,343,500	445,034,700	(308,800)
Administration Services	46,174,700	36,148,800	36,047,700	(101,100)	37,711,300	37,636,000	(75,300)
Disability Determinations	35,108,200	37,418,900	37,418,900		38,559,100	38,559,100	
Operating Budget Total	539,545,300	504,647,600	505,585,600	938,000	521,613,900	521,229,800	(384,100)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Families and Children

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Community Based Services	786,741,200	808,631,300	799,309,900	(9,321,400)	839,685,700	834,593,100	(5,092,600)
Administration Services	84,744,700	70,944,100	70,670,500	(273,600)	73,182,400	73,035,800	(146,600)
Disability Determinations	35,408,200	37,492,900	37,492,900		38,634,900	38,634,900	
Operating Budget Subtotal	906,894,100	917,068,300	907,473,300	(9,595,000)	951,503,000	946,263,800	(5,239,200)
Continuing Appropriations							
Community Based Services	16,809,100	(4,172,500)		4,172,500	4,172,500		(4,172,500)
Operating Budget Total	923,703,200	912,895,800	907,473,300	(5,422,500)	955,675,500	946,263,800	(9,411,700)

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				9,188,100		(9,188,100)	7,708,600		(7,708,600)
General Fund	279,231,800	279,231,800		305,202,300	304,350,200	(852,100)	319,555,200	322,239,500	2,684,300
Restricted Funds	88,117,000	88,117,000		98,030,300	97,537,500	(492,800)	102,625,300	102,794,500	169,200
Federal Funds	539,545,300	539,545,300		504,647,600	505,585,600	938,000	521,613,900	521,229,800	(384,100)
Regular Total Funds	906,894,100	906,894,100		917,068,300	907,473,300	(9,595,000)	951,503,000	946,263,800	(5,239,200)
General Fund Continuing	16,809,100	16,809,100		(4,172,500)		4,172,500	4,172,500		(4,172,500)
GRAND TOTAL FUNDS	923,703,200	923,703,200		912,895,800	907,473,300	(5,422,500)	955,675,500	946,263,800	(9,411,700)
II. EXPENDITURE CATEGORY									
Personnel Costs	308,674,000	308,674,000		306,170,600	301,158,900	(5,011,700)	323,638,900	312,140,800	(11,498,100)
Operating Expenses	96,239,600	96,239,600		86,865,300	86,865,300		88,912,200	88,912,200	
Grants, Loans, Benefits	518,639,600	518,639,600		519,770,300	519,359,500	(410,800)	543,032,200	545,049,600	2,017,400
Debt Service								69,000	69,000
Capital Outlay	150,000	150,000		89,600	89,600		92,200	92,200	
TOTAL EXPENDITURES	923,703,200	923,703,200		912,895,800	907,473,300	(5,422,500)	955,675,500	946,263,800	(9,411,700)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	279,231,800	279,231,800		298,638,400	294,465,900	(4,172,500)	297,208,300	301,380,800	4,172,500
Restricted Funds	88,117,000	88,117,000		95,640,500	95,640,600	100	100,119,800	100,119,800	
Federal Funds	539,545,300	539,545,300		499,459,000	499,611,300	152,300	494,971,500	495,388,700	417,200
Regular Total Funds	906,894,100	906,894,100		893,737,900	889,717,800	(4,020,100)	892,299,600	896,889,300	4,589,700
General Fund Continuing	16,809,100	16,809,100		(4,172,500)		4,172,500	4,172,500		(4,172,500)
TOTAL BASE LEVEL	923,703,200	923,703,200		889,565,400	889,717,800	152,400	896,472,100	896,889,300	417,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				9,188,100		(9,188,100)	7,708,600		(7,708,600)
General Fund				6,563,900	9,884,300	3,320,400	22,346,900	20,858,700	(1,488,200)
Restricted Funds				2,389,800	1,896,900	(492,900)	2,505,500	2,674,700	169,200
Federal Funds				5,188,600	5,974,300	785,700	26,642,400	25,841,100	(801,300)
TOTAL ADDITIONAL				23,330,400	17,755,500	(5,574,900)	59,203,400	49,374,500	(9,828,900)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Families and Children

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch	General	Difference	Branch	General	Difference	Branch	General	Difference
	Budget	Assembly		Budget	Assembly		Budget	Assembly	
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				640,000		(640,000)			
Federal Funds				300,000	300,000				
Bond Funds					640,000	640,000			
Investment Income				300,000	300,000		525,000	525,000	
Deferred Maintenance				2,500,000	2,500,000				
TOTAL CAPITAL				3,740,000	3,740,000		525,000	525,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Community Based Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				9,188,100		(9,188,100)	7,708,600		(7,708,600)
General Fund	248,417,900	248,417,900		274,609,300	273,910,800	(698,500)	288,271,700	291,008,400	2,736,700
Restricted Funds	80,060,900	80,060,900		93,754,000	93,280,100	(473,900)	98,361,900	98,550,000	188,100
Federal Funds	458,262,400	458,262,400		431,079,900	432,119,000	1,039,100	445,343,500	445,034,700	(308,800)
Regular Total Funds	786,741,200	786,741,200		808,631,300	799,309,900	(9,321,400)	839,685,700	834,593,100	(5,092,600)
General Fund Continuing	16,809,100	16,809,100		(4,172,500)		4,172,500	4,172,500		(4,172,500)
GRAND TOTAL FUNDS	803,550,300	803,550,300		804,458,800	799,309,900	(5,148,900)	843,858,200	834,593,100	(9,265,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	256,146,800	256,146,800		255,642,600	250,904,500	(4,738,100)	270,423,800	259,141,300	(11,282,500)
Operating Expenses	42,961,800	42,961,800		43,471,200	43,471,200		44,894,100	44,894,100	
Grants, Loans, Benefits	504,441,700	504,441,700		505,345,000	504,934,200	(410,800)	528,540,300	530,557,700	2,017,400
TOTAL EXPENDITURES	803,550,300	803,550,300		804,458,800	799,309,900	(5,148,900)	843,858,200	834,593,100	(9,265,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	248,417,900	248,417,900		268,355,500	264,183,000	(4,172,500)	266,271,500	270,444,000	4,172,500
Restricted Funds	80,060,900	80,060,900		91,402,400	91,402,500	100	95,899,100	95,899,100	
Federal Funds	458,262,400	458,262,400		426,346,700	426,346,700		419,496,400	419,496,400	
Regular Total Funds	786,741,200	786,741,200		786,104,600	781,932,200	(4,172,400)	781,667,000	785,839,500	4,172,500
General Fund Continuing	16,809,100	16,809,100		(4,172,500)		4,172,500	4,172,500		(4,172,500)
TOTAL BASE LEVEL	803,550,300	803,550,300		781,932,100	781,932,200	100	785,839,500	785,839,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				9,188,100		(9,188,100)	7,708,600		(7,708,600)
General Fund				6,253,800	9,727,800	3,474,000	22,000,200	20,564,400	(1,435,800)
Restricted Funds				2,351,600	1,877,600	(474,000)	2,462,800	2,650,900	188,100
Federal Funds				4,733,200	5,772,300	1,039,100	25,847,100	25,538,300	(308,800)
TOTAL ADDITIONAL				22,526,700	17,377,700	(5,149,000)	58,018,700	48,753,600	(9,265,100)
V. ADDITIONAL BUDGET ITEMS									
1 EXPRFR	Child Support-Restricted Funds Replacement								
(736ZB0X01)	Provide funds to replace Restricted Funds due to Federal changes in incentive payment calculations, reduced TANF recipients, and increased Federal administrative mandates.								
General Fund							8,500,000	8,500,000	
Federal Funds							16,500,000	16,500,000	
Total							25,000,000	25,000,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Community Based Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Child Care-Additional Child Care Subsidies to Children of KTAP & Low Income Parents								
(736ZEAX01)	Provide funds to increase child care subsidies for 900 children in FY 2000-01, and 1,518 children, FY 2001-02.									
General Fund					650,000	650,000		1,229,000	1,229,000	
Federal Funds					1,547,000	1,547,000		2,919,500	2,919,500	
Total					2,197,000	2,197,000		4,148,500	4,148,500	
3	EXPAN	Alternatives for Children-Out of Home Rate Adjustments								
(736ZFCX01)	Provide funds to adjust Foster Care rates. GENERAL ASSEMBLY: Provide funds to increase Foster Care rate schedules; Residential Care; & Adoption subsidies.									
General Fund					2,000,000	6,000,000	4,000,000	2,100,000	6,414,400	4,314,400
Restricted Funds								350,000	1,454,200	1,104,200
Federal Funds					830,000	3,671,500	2,841,500	1,018,000	4,347,600	3,329,600
Total					2,830,000	9,671,500	6,841,500	3,468,000	12,216,200	8,748,200
4	EXPAN	State Supplementation-Cost of Living Adjustment								
(736ZADX01)	Provide Restricted Funds (Food Stamp Enhanced Funds) to support a 2.4% Cost of Living increase, effective January 1, 2001 for 3,660 Personal Care, 370 Family Care, and 818 Caretaker recipients.									
Restricted Funds					357,000	357,000		763,000	763,000	
Total					357,000	357,000		763,000	763,000	
5	EXPAN	Adult Services-Domestic Violence								
(736ZFBX04)	Provide funds to support increases for existing spouse abuse shelters.									
General Fund						400,000	400,000	700,000	1,100,000	400,000
Restricted Funds					700,000	700,000				
Total					700,000	1,100,000	400,000	700,000	1,100,000	400,000
6	NEW	Wage Equity Plan								
(736GA01)	Provide funds to support salary improvement.									
General Fund					3,603,800	1,827,800	(1,776,000)	8,454,900	1,409,700	(7,045,200)
Restricted Funds					619,600	145,600	(474,000)	1,349,800	433,700	(916,100)
Federal Funds					2,356,200	553,800	(1,802,400)	5,409,600	1,771,200	(3,638,400)
Total					6,579,600	2,527,200	(4,052,400)	15,214,300	3,614,600	(11,599,700)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Community Based Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
7 NEW	Early Childhood Development Program Initiatives									
(736ZEAX02)	Provide funds to increase families eligible for child care subsidies; licensing/technical positions; STAR System cash awards; management; & quality subsidy payments. GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement in Part XI.									
General Fund (Tobacco)					9,188,100		(9,188,100)	7,708,600		(7,708,600)
Total					9,188,100		(9,188,100)	7,708,600		(7,708,600)
8 EXPAN	Children's Advocacy Centers-Sexual Assault Exams									
(736ZFAX05)	Provide funds to support exams for juvenile victims of sexual assault at 9 new centers in FY 2000-2001 and 4 additional centers in FY 2001-2002.									
General Fund								1,016,300	1,016,300	
Restricted Funds					675,000	675,000				
Total					675,000	675,000		1,016,300	1,016,300	
9 NEW	Model Early Childhood Development Center									
(736GA02)	Provide funds to support establishment of a pilot early childhood development center.									
General Fund						850,000	850,000		895,000	895,000
Total						850,000	850,000		895,000	895,000
TOTAL ADDITIONAL					22,526,700	17,377,700	(5,149,000)	58,018,700	48,753,600	(9,265,100)

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

BRANCH BUDGET

The Branch Budget recommends funding for services and programs in FB 2000-2002, as follows:

	Revised FY 1999-2000	Recommended FY 2000-2001	Recommended FY 2001-2002
Family Support Program:			
TANF (1)	\$224,256,000	\$197,996,000	\$200,540,900
Food Stamps	46,099,700	47,647,200	50,817,300
Medical Assistance (2)	24,261,200	26,428,500	28,202,200
State Supplementation	18,406,300	18,279,000	18,213,700
Welfare to Work	<u>13,665,500</u>	<u>15,943,400</u>	<u>4,103,700</u>
Total Family Support	\$326,688,700	\$306,294,100	\$301,877,800
 Child Support Program	 \$60,340,200	 \$58,472,600	 \$61,400,500
 Family and Community Services Program:			
Family Based Services	\$78,305,200	\$74,988,100	\$79,676,700
Adult Services	28,132,200	29,119,700	30,135,600
Alternatives For Children	<u>175,717,300</u>	<u>190,027,200</u>	<u>209,049,700</u>
Total Family & Community Services Program	\$282,154,700	\$294,135,000	\$318,862,000
 Child Care Program	 \$104,789,900	 \$124,734,100	 \$136,045,600
 Energy Program	 \$29,576,800	 \$17,219,200	 \$17,217,400
 Wage Equity Plan (General Fund)(3)		 \$3,603,800	 \$8,454,900
 Total Community Based Services	 <u>\$803,550,300</u>	 <u>\$804,458,800</u>	 <u>\$843,858,200</u>

(1)Temporary Assistance to Needy Families

(2)Medicaid Eligibility

(3)Restricted Funds & Federal Funds appropriated in individual programs in Recommended Budget

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

The Branch Budget recommends funding support to be provided from the Food Stamp Enhanced and Public Assistance (PA) Claims and Recovery Restricted Funds for existing and additional services and programs in FB 2000-2002, as follows:

		<u>Recommended FY 2000-2001</u>	<u>Recommended FY 2001-2002</u>
Food Stamp Enhanced:			
Base Level Budget:	Welfare to Work	\$2,000,000	\$1,346,000
	Child Support		653,400
	State Supplementation	357,000	763,000
Additional Budget Items:	Domestic Violence	700,000	
	Children's Advocacy Centers	<u>675,000</u>	<u> </u>
Total		\$3,732,000	\$2,762,400
PA Claims & Recovery:			
Base Level Budget:	TANF Program	\$1,500,000	\$1,500,000

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional funding support totaling \$6,579,600 (\$3,603,800 General Fund; \$619,600 Restricted Funds; \$2,356,200 Federal Funds) in FY 2000-2001 and \$15,214,300 (\$8,454,900 General Fund; \$1,349,800 Restricted Funds; \$5,409,600 Federal Funds) in FY 2001-2002 is budgeted to provide a guaranteed Cost of Living Adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget provides funds to support TANF Maintenance of Effort (MOE) and Alternatives for Children-Maintenance of Current Services in the Base Level Budget.

Additional General Fund support totaling \$8,500,000 in FY 2001-2002 and Federal Funds (Child Support Enforcement) totaling \$16,500,000 in FY 2001-2002 are provided to continue Child Support mandates by the replacement of Restricted Funds (Federal Incentive Payments).

Additional Restricted Funds (Food Stamp Enhanced Funds totaling \$357,000 in FY 2000-2001 and \$763,000 in FY 2001-2002 are provided to fund a 2.4% Cost of Living Adjustment for 3,660 Personal Care, 370 Family Care, and 818 Caretaker recipients.

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

Additional General Fund support totaling \$650,000 in FY 2000-2001 and \$1,229,000 in FY 2001-2002, and Federal Funds (Child Care Development Fund, CCDF) totaling \$1,547,000 in FY 2000-2001 and \$2,919,500 in FY 2001-2002 are provided to fund child care subsidies for additional children of KTAP or low income parents by 900 in FY 2000-2001 and 1,518 in FY 2001-2002.

Additional General Fund support totaling \$2,000,000 in FY 2000-2001 and \$2,100,000 in FY 2001-2002; Restricted Funds (Medicaid) totaling \$350,000 in FY 2001-2002; and Federal Funds (Title IV-E) totaling \$830,000 in FY 2000-2001 and \$1,018,000 in FY 2001-2002 are provided for Alternatives for Children-Out of Home Rate Adjustments.

Additional Restricted Funds (Food Stamp Enhanced Funds) support totaling \$700,000 in FY 2000-2001 and General Fund support totaling \$700,000 in FY 2001-2002 are provided for Adult Services-Domestic Violence to Spouse Abuse Centers.

Additional General Fund (MSA Phase I - Tobacco Settlement) support totaling \$9,188,100 in FY 2000-2001 and \$7,708,600 in FY 2001-2002 is provided for Early Childhood Development Initiatives, as follows:

	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>
1. Provide funds to support increase number of families eligible to receive child care subsidy reimbursement	\$6,000,000	\$6,000,000
2. Provide funds to support licensing personnel dedicated to child care	1,851,000	*
3. Provide funds to support personnel to offer technical assistance to upgrade quality	988,000	*
4. Provide funds to support cash award for child care facilities that improve quality by increasing their STAR level.	166,000	1,225,000
5. Provide funds to support management of the STAR System	97,800	82,800
6. Provide funds to support the level of quality increases by offering subsidy payments that graduate by the number of STARs a program achieves	<u>85,300</u>	<u>400,800</u>
Total	\$9,188,100	\$7,708,600

*Provide Child Care Development Funds (CCDF) totaling \$2,788,400 in FY 2001-2002 in the Base Level Budget

Additional Restricted Funds (Food Stamp Enhanced Funds) support totaling \$675,000 in FY 2000-2001 and General Fund totaling \$1,016,300 in FY 2001-2002 are provided for Children's Advocacy Centers.

The Branch Budget Operating Budget includes reduced funding for EMPOWER KY savings of \$305,700 in FY 2000-2001 and \$538,600 in FY 2001-2002.

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Wage Equity Plan, that directs, notwithstanding KRS 45.229, General Fund moneys for the Wage Equity Program in the amount of \$4,172,500 shall continue from fiscal year 2000-2001 into fiscal year 2001-2002.

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Public Assistance Appeals Board, that directs, the Department for Community Based Services shall reimburse citizen members of the Public Assistance Appeals Board an amount not to exceed \$75 per day plus travel expenses.

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Community Based Services

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Welfare to Work Program, that directs, due to the demands placed upon the Cabinet to meet the increasing participation rates required for welfare reform, and in order to meet the state match requirements for the Welfare to Work Program, any General Fund appropriation unexpended in fiscal year 1999-2000 of up to \$8,500,000 and in fiscal year 2000-2001 of up to \$2,500,000 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act.

The Branch Budget Bill, Part I, Operating Budget, Workforce Development Cabinet, Department for Employment Services, includes language provision relating to the TANF Job Placement and Training Services, that directs, Restricted Funds totaling \$4,067,600 in fiscal year 2000-2001 and \$4,053,500 in fiscal year 2001-2002 shall be transferred from the Cabinet for Families and Children to the Department for Employment Services to provide job placement and training services to Temporary Assistance for Needy Families (TANF) recipients through a contractual agreement.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions for the Cabinet for Families and Children relating to a) TANF and MSA Phase I - Tobacco Settlement Funding Transfers, and language provisions for the Department for Community Based Services relating to b) Energy Assistance Trust Fund, and c) Education for recipients of Public Assistance, as follows:

a) Funds Transfer: To the extent allowed by federal regulations and subject to the approval of the State Budget Director and the Interim Joint Committee on Appropriations and Revenue, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted so long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

b) Energy Assistance Trust Fund: Notwithstanding KRS 42.560, only those Restricted Funds necessary to supplement Federal Funds in order to maintain program levels as appropriated, are authorized from the Energy Assistance Trust Fund for fiscal year 2000-01 for the Home Energy Assistance and Weatherization programs.

c) Education for Recipients of Public Assistance: The Department for Community Based Services shall make available to a minimum of 7% of total adult public assistance recipients placements in Postsecondary or Vocational education. The recipients shall receive all support services provided to employed public assistance recipients including transportation and child care. The funding source shall be determined by the Cabinet for Families and Children. Work requirements shall include those required by the Postsecondary or Vocational educational placement as part of the required program of study or financial assistance. If allowable by Federal regulations related to Welfare Reform work participation rates, work requirements shall be limited to those required by the Postsecondary or Vocational educational placement as part of the required program of study or financial assistance.

The Branch Budget Bill, Part XI, Phase I Tobacco Settlement, includes language provision relating to the Early Childhood Development Fund, that directs, twenty-five percent (25%) of the MSA payments received in fiscal year 2000-2001, estimated to be \$25,275,000, and in fiscal year 2001-2002, estimated to be \$30,400,000, is appropriated to the Early Childhood Development Fund which is proposed to be established by enabling legislation in the Governor's Office for Early Childhood Development to be used for early childhood development initiatives. The Fund will be administered by a board to be established by enabling legislation. Appropriations for early childhood initiatives are set out within the appropriation amounts of the recipient agencies in Part I of this Act and are subject to the approval of the board. The recipient agencies include the Office of the Inspector General, the Department for Public Health and the Commission for Children with Special Health Care Needs in the Cabinet for Health Services, the Department for Community Based Services

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Community Based Services

in the Cabinet for Families and Children, the Kentucky Higher Education Assistance Authority, and the Governor's Office for Early Childhood Development within the Office of the Governor.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$2,527,200 in FY 2000-2001 and \$3,614,600 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

	Branch FY 2000-2001	Branch FY 2001-2002	General Assembly FY 2000-2001	General Assembly FY 2001-2002
Family Support Program:				
TANF (1)	\$198,876,000	\$202,744,800	\$198,503,500	\$200,982,300
Food Stamps	48,108,400	52,069,100	47,402,800	50,385,300
Medical Assistance (2)	26,681,200	28,887,900	26,294,600	27,965,500
State Supplementation	18,279,000	18,213,700	18,279,000	18,213,700
Welfare to Work	<u>15,943,400</u>	<u>4,103,700</u>	<u>15,943,400</u>	<u>4,103,700</u>
Total Family Support	\$307,888,000	\$306,019,200	\$306,423,300	\$301,650,500
Child Support Program	\$58,509,400	\$61,484,900	\$58,426,700	\$61,318,000
Family and Community Services Program:				
Family Based Services	\$75,932,100	\$81,599,300	\$74,340,000	\$77,529,400
Adult Services	29,429,600	30,829,600	29,533,600	30,280,200
Alternatives For Children	<u>190,746,400</u>	<u>210,662,200</u>	<u>196,971,100</u>	<u>217,365,600</u>
Total Family & Community Services Program	\$296,108,100	\$323,091,100	\$300,844,700	\$325,175,200

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

	<u>Branch FY 2000-2001</u>	<u>Branch FY 2001-2002</u>	<u>General Assembly FY 2000-2001</u>	<u>General Assembly FY 2001-2002</u>
Child Care Program	\$124,734,100	\$136,045,600	\$116,396,000	\$129,232,000
Energy Program	\$17,219,200	\$17,217,400	\$17,219,200	\$17,217,400
Total Community Based Services	<u>\$804,458,800</u>	<u>\$843,858,200</u>	<u>\$799,309,900</u>	<u>\$834,593,100</u>

The language provision in Part I, Operating Budget, relating to the Wage Equity Plan continued funding totaling \$4,172,500 from fiscal year 2000-2001 into fiscal year 2001-2002, is not included.

The language provision in Part I, Operating Budget, Workforce Development Cabinet, Department for Employment Services, relating to the TANF Job Placement and Training Services, is not included.

The General Assembly amends Part I, Operating Budget, language provision, relating to Welfare to Work, as follows:

Due to the demands placed upon the Cabinet to meet the increasing participation rates required for welfare reform, and in order to meet the state match requirements for the Welfare to Work Program, any General Fund appropriation, excluding Salary Improvement provisions as provided in Part IX of this Act, unexpended in fiscal year 1999-2000 of up to \$8,500,000 and in fiscal year 2000-2001 of up to \$2,500,000 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act.

Additional General Fund support totaling \$850,000 in FY 2000-2001 and \$895,000 in FY 2001-2002 are provided to establish a pilot Early Childhood Development Center.

Additional General Fund support totaling \$6,000,000 in FY 2000-2001 and \$6,414,400 in FY 2001-2002; Restricted Funds (Medicaid) totaling \$1,454,200 in FY 2001-2002; and Federal Funds (Title IV-E) totaling \$3,671,500 in FY 2000-2001 and \$4,347,600 in FY 2001-2002 are provided for Alternatives for Children-Out of Home Rate Adjustments.

Additional General Fund support totaling \$400,000 and Restricted Funds (Food Stamp Enhanced Funds) support totaling \$700,000 in FY 2000-2001 and General Fund support totaling \$1,100,000 in FY 2001-2002 are provided for Adult Services-Domestic Violence to Spouse Abuse Centers.

The General Assembly transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement, as follows, in comparison with the Branch Budget recommendation:

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Based Services

	<u>Branch</u> <u>FY 2000-2001</u>	<u>Branch</u> <u>FY 2001-2002</u>	<u>General Assembly</u> <u>FY 2000-2001</u>	<u>General Assembly</u> <u>FY 2001-2002</u>
1. Provide funds to support increase number of families eligible to receive child care subsidy reimbursement	\$6,000,000	\$6,000,000	\$3,000,000	\$3,000,000
2. Provide funds to support licensing personnel dedicated to child care	1,851,000	*	**	**
3. Provide funds to support personnel to offer technical assistance to upgrade quality	988,000	*	***	***
4. Provide funds to support cash award for child care facilities that improve quality by increasing their STAR level.	166,000	1,225,000	3,000,000	4,000,000
5. Provide funds to support management of the STAR System	97,800	82,800	97,800	82,800
6. Provide funds to support the level of quality increases by offering subsidy payments that graduate by the number of STARs a program achieves	<u>85,300</u>	<u>400,800</u>	<u>1,500,000</u>	<u>2,000,000</u>
Total	\$9,188,100	\$7,708,600	\$7,597,800	\$9,082,800

*Provide Child Care Development Funds (CCDF) totaling \$2,788,400 in FY 2001-2002 in the Base Level Budget.

**Provide Child Care Development Funds (CCDF) totaling \$1,851,100 annually in the Base Level Budget.

***Provide Child Care Development Funds (CCDF) totaling \$988,000 in FY 2000-2001 & \$937,300 in FY 2001-2002 in the Base Level Budget.

The General Assembly adds Part IX, Special Provisions, for the Department for Community Based Services relating to Emergency Shelter, Outreach Programs, and Salary Improvements, and for the Cabinet for Families and Children, relating to Legislative Oversight, as follows:

Emergency Shelter: The General Fund appropriation for Alternatives for Children Program includes \$450,000 each fiscal year for Private Child Care Emergency Shelter at the Home for the Innocents for temporary emergency services.

Outreach Programs: A General Fund appropriation of \$225,000 each fiscal year is provided for Outreach Resource Centers Services for adults and children services expansion through the Mountain Outreach in McRoberts (\$150,000 operating expenses each fiscal year) and Sarah's Place Women's Resource Center in Sandy Hook (\$75,000 operating and renovation expenses each fiscal year).

Salary Improvements: An appropriation of \$189,004,900 in fiscal year 2000-2001 is provided for Salary and Fringe Benefits costs in Community Based Services. Any appropriation for Salary and Fringe Benefits costs unexpended for Salary and Fringe Benefits costs in fiscal year 2000-2001 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act, to provide salary increases for employees in the Social Service Worker I and Social Service Worker II classifications.

Legislative Oversight: To provide legislative oversight, the Cabinet for Families and Children shall apply the provisions of KRS 48.630 to the program level including the following programs: Temporary Assistance to Needy Families (TANF), Medical Assistance, State Supplementation, Welfare to Work, Child Support, Energy, Child Care, Family Based Services, Adult Services, and Alternatives for Children; and Appropriation Units: Administration Services and Disability Determinations.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Administration Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	30,813,900	30,813,900		30,593,000	30,439,400	(153,600)	31,283,500	31,231,100	(52,400)
Restricted Funds	7,756,100	7,756,100		4,202,300	4,183,400	(18,900)	4,187,600	4,168,700	(18,900)
Federal Funds	46,174,700	46,174,700		36,148,800	36,047,700	(101,100)	37,711,300	37,636,000	(75,300)
Regular Total Funds	84,744,700	84,744,700		70,944,100	70,670,500	(273,600)	73,182,400	73,035,800	(146,600)
General Fund Continuing									
GRAND TOTAL FUNDS	84,744,700	84,744,700		70,944,100	70,670,500	(273,600)	73,182,400	73,035,800	(146,600)

II. EXPENDITURE CATEGORY

Personnel Costs	31,482,400	31,482,400		28,151,100	27,877,500	(273,600)	29,579,000	29,363,400	(215,600)
Operating Expenses	50,102,600	50,102,600		40,042,000	40,042,000		40,848,300	40,848,300	
Grants, Loans, Benefits	3,009,700	3,009,700		2,661,400	2,661,400		2,662,900	2,662,900	
Debt Service								69,000	69,000
Capital Outlay	150,000	150,000		89,600	89,600		92,200	92,200	
TOTAL EXPENDITURES	84,744,700	84,744,700		70,944,100	70,670,500	(273,600)	73,182,400	73,035,800	(146,600)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	30,813,900	30,813,900		30,282,900	30,282,900		30,936,800	30,936,800	
Restricted Funds	7,756,100	7,756,100		4,164,100	4,164,100		4,144,900	4,144,900	
Federal Funds	46,174,700	46,174,700		35,944,700	35,944,700		37,483,100	37,483,100	
Regular Total Funds	84,744,700	84,744,700		70,391,700	70,391,700		72,564,800	72,564,800	
General Fund Continuing									
TOTAL BASE LEVEL	84,744,700	84,744,700		70,391,700	70,391,700		72,564,800	72,564,800	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				310,100	156,500	(153,600)	346,700	294,300	(52,400)
Restricted Funds				38,200	19,300	(18,900)	42,700	23,800	(18,900)
Federal Funds				204,100	103,000	(101,100)	228,200	152,900	(75,300)
TOTAL ADDITIONAL				552,400	278,800	(273,600)	617,600	471,000	(146,600)

V. ADDITIONAL BUDGET ITEMS**1 NEW Wage Equity Plan**

(701GA0X11) Provide funds to support salary improvement.

General Fund				310,100	156,500	(153,600)	346,700	225,300	(121,400)
Restricted Funds				38,200	19,300	(18,900)	42,700	23,800	(18,900)

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2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Administration Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
1 NEW	Wage Equity Plan									
(701GA0X11)	Provide funds to support salary improvement.									
Federal Funds					204,100	103,000	(101,100)	228,200	152,900	(75,300)
Total					552,400	278,800	(273,600)	617,600	402,000	(215,600)
2 NEW	Children Advocacy Centers-Debt Service									
(701GA01)	Provide debt service funds to support Bond Funds totaling \$640,000 in FY 2000-2001 for Children's Advocacy Centers.									
General Fund									69,000	69,000
Total									69,000	69,000
TOTAL ADDITIONAL					552,400	278,800	(273,600)	617,600	471,000	(146,600)

FB 2000-2002 BUDGET MODIFICATION REPORT

Administration Services

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional funding support totaling \$552,400 (\$310,100 General Fund; \$38,200 Restricted Funds; \$204,100 Federal Funds) in FY 2000-2001 and \$617,600 (\$346,700 in General Fund; \$42,700 Restricted Funds; \$228,200 Federal Funds) in FY 2001-2002 is budgeted to provide a guaranteed Cost of Living Adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Operating Budget includes reduced funding for EMPOWER KY savings of \$222,700 in FY 2000-2001 and \$774,400 in FY 2001-2002.

The Branch Budget permits the expenditure of up to \$1,400,000 for expanded lease space in various counties.

The Branch Budget Bill, Part I, Operating Budget, includes language provision relating to the Kentucky Commission on Community Volunteerism and Service, that directs, in the above General Fund appropriation is \$226,800 in fiscal year 2000-2001 and \$232,200 in fiscal year 2001-2002, and in the Federal Funds appropriation is \$2,970,700 in fiscal year 2000-2001 and \$2,978,400 in fiscal year 2001-2002 for the Kentucky Commission on Community Volunteerism and Service which was transferred from the Council on Postsecondary Education to the Cabinet for Families and Children by Executive Order 2000-8.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding totaling \$3,740,000 (\$640,000 General Fund; \$300,000 Federal Funds; \$300,000 Investment Income; \$2,500,000 Deferred Maintenance) in FY 2000-2001 and \$525,000 in Investment Income in FY 2001-2002 for the following capital projects and equipment purchases: a) in FY 2000-2001, Maintenance Pool, \$300,000 Investment Income; Owensboro Office Building-HVAC and Interior Renovation, \$1,500,000 Deferred Maintenance; L & N Building-Elevator Upgrade, \$1,000,000 Deferred Maintenance; Disability Determinations Client System Upgrade, \$300,000 Federal Funds; and Children's Advocacy Centers, \$640,000 General Fund; and b) in FY 2001-2002, Maintenance Pool, \$525,000 Investment Income.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in eleven counties with a cost that exceeds \$200,000 annually per lease.

The Branch Budget Bill, Part III, General Provisions includes language provision that directs, it is the intent of the General Assembly that the Executive Branch implement actions necessary to achieve cost savings as intended, authorized, and directed by 1998 Kentucky Acts, and 1998 House Bill 321 (1998 Ky. Acts ch. 615, Part X), by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, and Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 2000-2002 agency budget request and executive records. The Secretary of any of the specified cabinets and the Commissioner of the Department of Education may submit requests to the State Budget Director of the Governor's Office for Policy and Management for the transfer of General Fund appropriation authority. Such requests shall specify the need for the transfer of General Fund appropriation authority and the manner in which such a transfer would better achieve the General Fund cost savings. Any transfers made

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Administration Services

under this provision for any of the cabinets identified above or the Department of Education shall result in no change to the total value of the General Fund cost savings amounts as identified in the agency budget request records recommendation and executive records for the individual cabinets specified above or the Department of Education. Any transfer made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions for the Cabinet for Families and Children relating to a) Maximizing Federal Funds and b) TANF and MSA Phase I - Tobacco Settlement Funding Transfers as follows:

- a) Maximizing Federal Funds: Pursuant to compliance with the State/Executive Budget Bill and the Statutory Budget Memorandum, the Cabinet shall maximize all Federal Funds for programs within the Cabinet.
- b) Funds Transfer: To the extent allowed by federal regulations and subject to the approval of the State Budget Director and the Interim Joint Committee on Appropriations and Revenue, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted so long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

The Branch Budget Bill, Part IX, Special Provisions, in the Department of Education, Management Support Services, includes language provisions relating to Family Resource and Youth Services Centers as follows:

- a) Family Resource and Youth Services Centers: Funds appropriated to establish Family Resource and Youth Services Centers shall be transferred in fiscal year 2000-2001 and in fiscal year 2001-2002 to the Cabinet for Families and Children consistent with the intent of KRS 156.497. The Cabinet for Families and Children is authorized to use, for administrative purposes, no more than three percent (3%) of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. The Department of Education is authorized to retain \$76,900 in fiscal year 2000-2001 and \$79,700 in fiscal year 2001-2002 from the funds appropriated for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource or Youth Services Center, that person shall retain his or her status as a certified employee of the school district.
- b) If seventy percent (70%) or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Families and Children identifying the salary of the director. The Cabinet for Families and Children shall transmit any reports received from Family Resource and Youth Service Centers pursuant to this provision to the Legislative Research Commission.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$278,800 in FY 2000-2001 and \$402,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Administration Services

Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly provides General Fund support totaling \$69,000 for debt service funds in FY 2001-2002 to support Bond Funds totaling \$640,000 in FY 2000-2001 for Children's Advocacy Centers.

The General Assembly adds Part IX, Special Provisions for the Cabinet for Families and Children relating to Salary Improvements and Workplace Improvements, as follows::

Salary Improvements: An appropriation of \$24,216,300 in fiscal year 2000-2001 is provided for Salary and Fringe Benefits costs in Administration Services. Any appropriation for Salary and Fringe Benefits costs unexpended for Salary and Fringe Benefits costs in fiscal year 2000-2001 shall not lapse and shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act, to provide salary increases for employees in the Social Service Worker I and Social Service Worker II classifications in the Department for Community Based Services.

Workplace Improvements: The Cabinet for Families and Children may expend up to \$500,000 in fiscal year 2000-2001 and \$1,400,000 in fiscal year 2001-2002 for lease expansions.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Administration Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				640,000		(640,000)			
Federal Funds				300,000	300,000				
Bond Funds					640,000	640,000			
Investment Income				300,000	300,000		525,000	525,000	
Deferred Maintenance				2,500,000	2,500,000				
TOTAL CAPITAL				3,740,000	3,740,000		525,000	525,000	
II. CAPITAL PROJECTS									
1 (7010107) Maintenance Pool									
Investment Income				300,000	300,000		525,000	525,000	
Total				300,000	300,000		525,000	525,000	
2 (7010103) Owensboro Office Building-HVAC and Interior Renovation									
Deferred Maintenance				1,500,000	1,500,000				
Total				1,500,000	1,500,000				
3 (7010113) L & N Building - Elevator Upgrade									
Deferred Maintenance				1,000,000	1,000,000				
Total				1,000,000	1,000,000				
4 (7260112) Disability Determinations Client System Upgrade									
Federal Funds				300,000	300,000				
Total				300,000	300,000				
5 (7010001) Children's Advocacy Centers									
General Fund				640,000		(640,000)			
Bond Funds					640,000	640,000			
Total				640,000	640,000				
6 (7010130) Various Leases - Eleven Counties									
Total									
TOTAL				3,740,000	3,740,000		525,000	525,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Families and Children

Agency: Families and Children
Appropriation Unit: Disability Determinations

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	300,000	300,000		74,000	74,000		75,800	75,800	
Federal Funds	35,108,200	35,108,200		37,418,900	37,418,900		38,559,100	38,559,100	
Regular Total Funds	35,408,200	35,408,200		37,492,900	37,492,900		38,634,900	38,634,900	
General Fund Continuing									
GRAND TOTAL FUNDS	35,408,200	35,408,200		37,492,900	37,492,900		38,634,900	38,634,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	21,044,800	21,044,800		22,376,900	22,376,900		23,636,100	23,636,100	
Operating Expenses	3,175,200	3,175,200		3,352,100	3,352,100		3,169,800	3,169,800	
Grants, Loans, Benefits	11,188,200	11,188,200		11,763,900	11,763,900		11,829,000	11,829,000	
TOTAL EXPENDITURES	35,408,200	35,408,200		37,492,900	37,492,900		38,634,900	38,634,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	300,000	300,000		74,000	74,000		75,800	75,800	
Federal Funds	35,108,200	35,108,200		37,167,600	37,319,900	152,300	37,992,000	38,409,200	417,200
Regular Total Funds	35,408,200	35,408,200		37,241,600	37,393,900	152,300	38,067,800	38,485,000	417,200
General Fund Continuing									
TOTAL BASE LEVEL	35,408,200	35,408,200		37,241,600	37,393,900	152,300	38,067,800	38,485,000	417,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				251,300	99,000	(152,300)	567,100	149,900	(417,200)
TOTAL ADDITIONAL				251,300	99,000	(152,300)	567,100	149,900	(417,200)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(726TC0X02)	Provide funds to support salary improvement.								
Federal Funds				251,300	99,000	(152,300)	567,100	149,900	(417,200)
Total				251,300	99,000	(152,300)	567,100	149,900	(417,200)
TOTAL ADDITIONAL				251,300	99,000	(152,300)	567,100	149,900	(417,200)

FB 2000-2002 BUDGET MODIFICATION REPORT

Disability Determinations

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Federal funding support totaling \$251,300 in FY 2000-2001 and \$567,100 in FY 2001-2002 is budgeted to provide a guaranteed Cost of Living Adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, appropriates Federal Funds support totaling \$10,000 in FY 2000-2001 and \$10,000 in FY 2001-2002 for operating costs related to the Disability Determinations Client System Upgrade Project. The appropriation for the funding of this project is provided in Part II, Capital Projects Budget, in the Administration Services Appropriation Unit.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$99,000 in FY 2000-2001 and \$149,900 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

FINANCE AND ADMINISTRATION

JUNE 7, 2000

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**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT**

Cabinet/Function: Finance and Administration

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration	9,102,000	12,430,000	12,267,800	(162,200)	12,538,000	12,438,400	(99,600)
Debt Service	169,864,000	218,214,000	216,527,000	(1,687,000)	238,086,000	244,703,000	6,617,000
Administration	3,671,000	3,808,000	3,776,100	(31,900)	3,809,000	3,789,600	(19,400)
Facilities Management	8,365,000	8,640,000	8,598,300	(41,700)	8,867,000	8,822,300	(44,700)
County Costs	17,818,000	18,899,000	18,899,000		20,881,000	20,881,000	
Operating Budget Total	208,820,000	261,991,000	260,068,200	(1,922,800)	284,181,000	290,634,300	6,453,300

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT**

Cabinet/Function: Finance and Administration

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration	3,500,200	3,484,000	3,484,000		3,644,000	3,644,000	
Administration	8,671,000	9,039,000	9,039,000		9,121,000	9,121,000	
Facilities Management	20,458,000	20,634,000	20,634,000		21,014,000	21,014,000	
County Costs	1,327,000	1,327,000	1,327,000		1,327,000	1,327,000	
County Fees	67,925,100	71,212,900	71,212,900		74,664,400	74,664,400	
Operating Budget Total	101,881,300	105,696,900	105,696,900		109,770,400	109,770,400	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT

Cabinet/Function: Finance and Administration

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration	58,132,000	58,148,000	58,148,000		58,197,000	58,197,000	

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
ROAD FUND BY BUDGET UNIT**

Cabinet/Function: Finance and Administration

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly	Difference	Branch	General Assembly
Debt Service		3,665,000	3,665,000		3,668,000	3,668,000
Administration	270,000	277,000	277,000		283,000	283,000
Operating Budget Total	270,000	3,942,000	3,942,000		3,951,000	3,951,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Finance and Administration

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration	70,734,200	74,062,000	73,899,800	(162,200)	74,379,000	74,279,400	(99,600)
Debt Service	169,864,000	221,879,000	220,192,000	(1,687,000)	241,754,000	248,371,000	6,617,000
Administration	12,612,000	13,124,000	13,092,100	(31,900)	13,213,000	13,193,600	(19,400)
Facilities Management	28,823,000	29,274,000	29,232,300	(41,700)	29,881,000	29,836,300	(44,700)
County Costs	19,145,000	20,226,000	20,226,000		22,208,000	22,208,000	
County Fees	67,925,100	71,212,900	71,212,900		74,664,400	74,664,400	
Operating Budget Total	369,103,300	429,777,900	427,855,100	(1,922,800)	456,099,400	462,552,700	6,453,300

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund Special	1,632,000	1,632,000							
General Fund	207,188,000	207,188,000		261,991,000	260,068,200	(1,922,800)	284,181,000	290,634,300	6,453,300
Restricted Funds	101,881,300	101,881,300		105,696,900	105,696,900		109,770,400	109,770,400	
Federal Funds	58,132,000	58,132,000		58,148,000	58,148,000		58,197,000	58,197,000	
Road Fund	270,000	270,000		3,942,000	3,942,000		3,951,000	3,951,000	
Regular Total Funds	369,103,300	369,103,300		429,777,900	427,855,100	(1,922,800)	456,099,400	462,552,700	6,453,300
General Fund Continuing									
GRAND TOTAL FUNDS	369,103,300	369,103,300		429,777,900	427,855,100	(1,922,800)	456,099,400	462,552,700	6,453,300
II. EXPENDITURE CATEGORY									
Personnel Costs	69,760,700	69,760,700		72,027,200	71,791,400	(235,800)	75,212,200	75,048,500	(163,700)
Operating Expenses	113,617,400	113,617,400		118,855,400	118,855,400		122,142,500	122,142,500	
Grants, Loans, Benefits	10,050,000	10,050,000		10,279,000	10,279,000		10,308,000	10,308,000	
Debt Service	169,892,000	169,892,000		221,906,000	220,219,000	(1,687,000)	241,781,000	248,398,000	6,617,000
Capital Outlay	5,783,200	5,783,200		6,335,300	6,335,300		6,205,700	6,205,700	
Construction				375,000	375,000		450,000	450,000	
TOTAL EXPENDITURES	369,103,300	369,103,300		429,777,900	427,855,100	(1,922,800)	456,099,400	462,552,700	6,453,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	207,188,000	207,188,000		248,898,000	248,898,000		249,077,000	249,077,000	
Restricted Funds	85,727,200	85,727,200		103,675,700	103,832,800	157,100	108,120,700	108,248,000	127,300
Federal Funds	58,132,000	58,132,000		58,148,000	58,148,000		58,197,000	58,197,000	
Road Fund	270,000	270,000		3,942,000	3,942,000		3,951,000	3,951,000	
Regular Total Funds	351,317,200	351,317,200		414,663,700	414,820,800	157,100	419,345,700	419,473,000	127,300
General Fund Continuing									
TOTAL BASE LEVEL	351,317,200	351,317,200		414,663,700	414,820,800	157,100	419,345,700	419,473,000	127,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund Special	1,632,000	1,632,000							
General Fund				13,093,000	11,170,200	(1,922,800)	35,104,000	41,557,300	6,453,300
Restricted Funds	16,154,100	16,154,100		2,021,200	1,864,100	(157,100)	1,649,700	1,522,400	(127,300)
TOTAL ADDITIONAL	17,786,100	17,786,100		15,114,200	13,034,300	(2,079,900)	36,753,700	43,079,700	6,326,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				2,581,000	6,506,000	3,925,000	300,000	300,000	
Bond Funds				136,250,000	117,625,000	(18,625,000)			
Investment Income				15,589,000	7,089,000	(8,500,000)	5,375,000	3,875,000	(1,500,000)
Other Funds				37,091,000	37,091,000				
Deferred Maintenance				4,000,000	4,000,000				
TOTAL CAPITAL				195,511,000	172,311,000	(23,200,000)	5,675,000	4,175,000	(1,500,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: General Administration

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	9,102,000	9,102,000		12,430,000	12,267,800	(162,200)	12,538,000	12,438,400	(99,600)
Restricted Funds	3,500,200	3,500,200		3,484,000	3,484,000		3,644,000	3,644,000	
Federal Funds	58,132,000	58,132,000		58,148,000	58,148,000		58,197,000	58,197,000	
Regular Total Funds	70,734,200	70,734,200		74,062,000	73,899,800	(162,200)	74,379,000	74,279,400	(99,600)
General Fund Continuing									
GRAND TOTAL FUNDS	70,734,200	70,734,200		74,062,000	73,899,800	(162,200)	74,379,000	74,279,400	(99,600)
II. EXPENDITURE CATEGORY									
Personnel Costs	8,832,600	8,832,600		9,479,000	9,316,800	(162,200)	9,797,000	9,697,400	(99,600)
Operating Expenses	53,738,200	53,738,200		56,227,000	56,227,000		56,226,000	56,226,000	
Grants, Loans, Benefits	8,000,000	8,000,000		8,200,000	8,200,000		8,200,000	8,200,000	
Debt Service	28,000	28,000		27,000	27,000		27,000	27,000	
Capital Outlay	135,400	135,400		129,000	129,000		129,000	129,000	
TOTAL EXPENDITURES	70,734,200	70,734,200		74,062,000	73,899,800	(162,200)	74,379,000	74,279,400	(99,600)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	9,102,000	9,102,000		9,672,000	9,672,000		9,811,000	9,811,000	
Restricted Funds	3,500,200	3,500,200		3,137,500	3,137,500		3,295,200	3,295,200	
Federal Funds	58,132,000	58,132,000		58,148,000	58,148,000		58,197,000	58,197,000	
Regular Total Funds	70,734,200	70,734,200		70,957,500	70,957,500		71,303,200	71,303,200	
General Fund Continuing									
TOTAL BASE LEVEL	70,734,200	70,734,200		70,957,500	70,957,500		71,303,200	71,303,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,758,000	2,595,800	(162,200)	2,727,000	2,627,400	(99,600)
Restricted Funds				346,500	346,500		348,800	348,800	
TOTAL ADDITIONAL				3,104,500	2,942,300	(162,200)	3,075,800	2,976,200	(99,600)

V. ADDITIONAL BUDGET ITEMS**1 EXPAN Customer Resource Center-Additional Personnel**

(750AA0X08) Provide funds to support personnel costs for 1 PFT position for process improvement support to other state agencies and to ensure agency savings under the MARS program.

General Fund

52,000

52,000

55,000

55,000

Total**52,000****52,000****55,000****55,000****2 EXPAN Office of Technology Operations-Additional Personnel, Operating and Capital Outlay**

(750AA0X05) Provide funds to support personnel costs for 2 PFT positions and operating costs to address the current backlog of technology requests and to improve the overall infrastructure of the FAC.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: General Administration

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Office of Technology Operations-Additional Personnel, Operating and Capital Outlay								
(750AA0X05)		Provide funds to support personnel costs for 2 PFT positions and operating costs to address the current backlog of technology requests and to improve the overall infrastructure of the FAC.								
General Fund					188,000	188,000		192,000	192,000	
Total					188,000	188,000		192,000	192,000	
3	EXPAN	Administrative Policy and Audit-Additional Personnel and Operating								
(750AA0X02)		Provide funds to support 2 PFT positions to address the new policies and procedures necessary to support MARS.								
General Fund					91,000	91,000		81,000	81,000	
Total					91,000	91,000		81,000	81,000	
4	EXPAN	Secretary's Office-Affordable Housing Trust								
(750AA0X09)		Provide funds to support the Affordable Housing Trust loans and grants to assist with housing opportunities for very low income persons. Funds are required to be matched equally from the Kentucky Housing Corporation Housing Assistance Fund.								
General Fund					200,000	200,000		200,000	200,000	
Total					200,000	200,000		200,000	200,000	
5	EXPAN	Office of Technology Operations-Additional Operating								
(750AA0X03)		Provide funds to support increased operating expenditures.								
General Fund					28,000	28,000		43,000	43,000	
Total					28,000	28,000		43,000	43,000	
6	EXPAN	Office of the Controller-Maintenance Costs for MARS								
(758BA0X01)		Provide funds to support the ongoing computer maintenance costs associated with the new Management and Reporting System (MARS).								
General Fund					2,030,000	2,030,000		2,030,000	2,030,000	
Total					2,030,000	2,030,000		2,030,000	2,030,000	
7	NEW	Office of Financial Management-Water Resources Development								
(750AF0X02)		Provide funds to support personnel and operating costs for the Water Resources Development initiatives. (4 PFT)								
Restricted Funds					325,000	325,000		335,000	335,000	
Total					325,000	325,000		335,000	335,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: General Administration

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8 NEW	Wage Equity Plan									
(750AAFX01)	Provide funds to support salary improvement.									
General Fund					169,000	6,800	(162,200)	126,000	26,400	(99,600)
Restricted Funds					21,500	21,500		13,800	13,800	
Total					190,500	28,300	(162,200)	139,800	40,200	(99,600)
TOTAL ADDITIONAL					3,104,500	2,942,300	(162,200)	3,075,800	2,976,200	(99,600)

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional support from the General Fund is provided for: maintenance costs associated with the Management and Reporting System (MARS) totaling \$2,030,000 in FY 2000-2001 and in FY 2001-2002; two additional PFT positions and operating costs for the Office of Technology Operations totaling \$188,000 in FY 2000-2001 and \$192,000 in FY 2001-2002; the Affordable Housing Trust Fund, to be equally matched from the Kentucky Housing Corporation Housing Assistance Fund, totaling \$200,000 in FY 2000-2001 and in FY 2001-2002; one additional PFT position for the Customer Resource Center totaling \$52,000 in FY 2000-2001 and \$55,000 in FY 2001-2002; to support increased operating costs for the Office of Technology totaling \$28,000 in FY 2000-2001 and \$43,000 in FY 2001-2002; and two additional PFT audit positions for the Division of Policy and Audit totaling \$91,000 in FY 2000-2001 and \$81,000 in FY 2001-2002. Restricted Funds totaling \$325,000 in FY 2000-2001 and \$335,000 in FY 2001-2002 are provided to support four PFT positions and operating costs for the Water Resources Development Program within the Office of Financial Management.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$169,000 in FY 2000-2001 and \$126,000 in FY 2001-2002, and Restricted Funds support totaling \$21,500 in FY 2000-2001 and \$13,800 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 of each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

*Funding support from reduced employer retirement contributions and vacancy credits is included in the Base Level Budget to support increased costs of existing operations.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects: Bond Funds totaling \$50 million in FY 2000-2001 are provided for Water Resources Development grants and/or low interest loans and allows the use of funds to develop a program for construction of water projects, (The debt service for these bonds is provided from Phase I Tobacco Settlement funds included in the Office of the Governor.); additional Bond Funds totaling \$7 million in FY 2000-2001 are provided for the KIA Federally Assisted Wastewater Program (Fund A) and \$6 million in FY 2000-2001 are provided for the KIA Drinking Water Revolving Loan Fund (Fund F) for the required state match for the federal program. The Capital Projects Budget also includes funding in the Fund A Bond Funds for the state match necessary to receive Federal Funds for the Rural Communities Hardship Grants program administered by the Natural Resources and Environmental Cabinet; authorization for the KIA Fund A program to expend the cash balances from loan repayments on deposit at the trustee bank for financial assistance, in the form of low interest loans, to governmental agencies for professional planning and preliminary engineering design work required for eligible Fund A wastewater projects; authorization for the alternative construction of a new state office building in Franklin County, which may utilize design build, build-to-suit, or other lease/purchase alternatives; and reauthorization of \$4.4 million for the Red Fox Golf Course and \$10 million for the Pike County Civic Center.

The Branch Budget Bill, Part V, Funds Transfer, provides for the transfer of Capital Construction Investment Income (KRS 42.500(12)) to the General Fund totaling \$42 million in FY 1999-2000, and \$2,562,400 in FY 2001-2002.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly provides in Part II, Capital Projects Budget, reauthorizations for the Red Fox Golf Course (\$5.4 million from multiple funds), the Pike County Civic Center (\$12.5 million from multiple funds), the Meade County Waterline (\$2.5 million in Restricted Funds), the Hindman Sewer Infrastructure (\$3 million in Restricted Funds), the Midway Wastewater Treatment Plant (\$3.5 million in Restricted Funds), the Richmond Sewer Infrastructure (\$4 million in Restricted Funds), the West Louisville Environmental

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration

Justice/Air Pollution Project (\$300,000 from the General Fund), and the Estill County Board of Education project (\$75,000 from the General Fund). Reauthorization is also provided totaling \$1 million in Restricted Funds for Improvements at Fishtrap Reservoir and redirects these funds to the Mountain Water District.

Additional Restricted Funds from the Kentucky Infrastructure Authority - Fund B Waterline/Sewer Grant Program are provided totaling \$3,925,000 for the Horton Camp Infrastructure at the Green River State Park (\$650,000); the Fleming County Water Commission Multi-County Water Study (\$75,000); the Fleming County "201" Sewer Planning Study (\$50,000); Greenup County water projects for the City of Wurtland (\$25,000), City of Raceland (\$25,000), City of Worthington (\$25,000), and the City of Flatwoods (\$25,000); Spurlock and Little Mud Creek water extension (\$300,000); Pike County Taylor Fork water line (\$50,000); Southern Madison Water District (\$200,000); Henderson County Water District (\$500,000); Lewis County Water & Sewer (\$500,000); Green County Water and Sewer (\$500,000); Larue County water line extension (\$750,000); and Carroll County water and sewer upgrades/expansion (\$250,000).

The General Assembly Part II, Capital Projects Budget, provides authorization for the feasibility study for alternative construction of a new state office building.

Bond Funds totaling \$25 million are authorized for the Rural Development Bond Fund. Debt service for the Rural Development Bond Fund is provided in the General Fund - Tobacco appropriation in Part XI, Phase I Tobacco Settlement in the amount of \$1,258,000 in FY 2000-2001 and \$2,516,000 in FY 2001-2002.

Bond Funds totaling \$50 million are authorized for the Kentucky Infrastructure Authority - Water Resources Development. Debt service is provided in the General Fund Tobacco appropriation in Part XI, Phase I Tobacco Settlement in the amount of \$5,031,000 in FY 2001-2002.

The General Assembly adds a language provision in Part II, Capital Projects Budget to authorize the Kentucky Infrastructure Authority to expend cash balances from loan repayments on deposit at the trustee bank for financial assistance to the listed projects in Fund B, in the form of a grant, notwithstanding KRS 224A.112. Language is added to require the project prioritization criteria established by the Kentucky Infrastructure Authority for the Water Resources Development Program to include consideration of whether the applicant has received written notice of a water system deficiency from the Natural Resources and Environmental Protection Cabinet.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$6,800 from the General Fund and Restricted funds totaling \$21,500 in FY 2000-2001 and \$26,400 from the General Fund and \$13,800 in Restricted Funds in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly Part V, Funds Transfer, provides for the transfer of Capital Construction Investment Income (KRS 42.500(12)) to the General Fund totaling \$42 million in FY 1999-2000, \$22.8 million in FY 2000-2001, and \$11,562,400 in FY 2001-2002.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: General Administration

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds					3,925,000	3,925,000			
Bond Funds				63,000,000	88,000,000	25,000,000			
TOTAL CAPITAL				63,000,000	91,925,000	28,925,000			
II. CAPITAL PROJECTS									
1 (7500219) KIA Fund F-Drinking Water Revolving Loan Fund (Reauthorization)									
Bond Funds				6,000,000	6,000,000				
Total				6,000,000	6,000,000				
2 (7500218) KIA Fund A-Federally Assisted Wastewater Program (Reauthorization)									
Bond Funds				7,000,000	7,000,000				
Total				7,000,000	7,000,000				
3 (7500222) Pike County Civic Center (Reauthorization)									
Total									
4 (7500221) Red Fox Golf Course (Reauthorization)									
Total									
5 (7500006) KIA-Water Resources Development									
Bond Funds				50,000,000	50,000,000				
Total				50,000,000	50,000,000				
6 (7500007) State Office Bldg-Alternative Construction - General Assembly: Feasibility Study									
Total									
7 (750AGA01) Meade County Waterline Extension (Reauthorization)									
Total									
8 (750AGA02) Hindman Sewer Infrastructure (Reauthorization)									
Total									

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: General Administration

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS

9 (750AGA03) **Midway Wastewater Treatment Plant (Reauthorization)**

Total

10 (750AGA04) **Richmond Sewer Infrastructure (Reauthorization)**

Total

11 (750AGA05) **West Louisville Environmental Justice/Air Pollution Project (Reauthorization)**

Total

12 (750AGA06) **KIA-Fund B Waterline/Sewer Grant Program**

Restricted Funds	3,925,000	3,925,000
Total	3,925,000	3,925,000

13 (750AGA07) **Estill County Board of Education Project (Reauthorization)**

Total

14 (750AGA08) **Improv. at Fishtrap Reservoir/Mountain Water District (Reauthorization/Reallocation)**

Total

15 (750AGA09) **Rural Development Bond Fund**

Bond Funds	25,000,000	25,000,000
Total	25,000,000	25,000,000

TOTAL	63,000,000	91,925,000	28,925,000
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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: Debt Service

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	169,864,000	169,864,000		218,214,000	216,527,000	(1,687,000)	238,086,000	244,703,000	6,617,000
Road Fund				3,665,000	3,665,000		3,668,000	3,668,000	
Regular Total Funds	169,864,000	169,864,000		221,879,000	220,192,000	(1,687,000)	241,754,000	248,371,000	6,617,000
General Fund Continuing									
GRAND TOTAL FUNDS	169,864,000	169,864,000		221,879,000	220,192,000	(1,687,000)	241,754,000	248,371,000	6,617,000
II. EXPENDITURE CATEGORY									
Debt Service	169,864,000	169,864,000		221,879,000	220,192,000	(1,687,000)	241,754,000	248,371,000	6,617,000
TOTAL EXPENDITURES	169,864,000	169,864,000		221,879,000	220,192,000	(1,687,000)	241,754,000	248,371,000	6,617,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	169,864,000	169,864,000		210,827,000	210,827,000		210,631,000	210,631,000	
Road Fund				3,665,000	3,665,000		3,668,000	3,668,000	
Regular Total Funds	169,864,000	169,864,000		214,492,000	214,492,000		214,299,000	214,299,000	
General Fund Continuing									
TOTAL BASE LEVEL	169,864,000	169,864,000		214,492,000	214,492,000		214,299,000	214,299,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				7,387,000	5,700,000	(1,687,000)	27,455,000	34,072,000	6,617,000
TOTAL ADDITIONAL				7,387,000	5,700,000	(1,687,000)	27,455,000	34,072,000	6,617,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Cabinet Wide-New Debt Service								
(750BA0X01)	Provide debt service funds to support Bond Funds for KIA, Facilities Management, and the Community Development Program.								
General Fund				7,387,000	5,700,000	(1,687,000)	27,455,000	34,072,000	6,617,000
Total				7,387,000	5,700,000	(1,687,000)	27,455,000	34,072,000	6,617,000
TOTAL ADDITIONAL				7,387,000	5,700,000	(1,687,000)	27,455,000	34,072,000	6,617,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Debt Service

BRANCH BUDGET

The Branch Budget recommends funding totaling \$210,827,000 from the General Fund and \$3,665,000 from the Road Fund in FY 2000-2001 and \$210,631,000 from the General Fund and \$3,668,000 from the Road Fund in FY 2001-2002 to support existing debt for previously authorized bonds for multiple agency capital projects. The Road Fund support provides debt service for Economic Development bonds that have previously received support from the General Fund.

Additional funds totaling \$7,387,000 in FY 2000-2001 from the General Fund provide an estimated 10% of the debt service required for multiple agency recommended Bond Funds.

Additional funds totaling \$27,455,000 in FY 2001-2002 from the General Fund provide support for \$13 million in new bonds for the Kentucky Infrastructure Authority programs, \$73.3 million in new bonds for Facilities Management related projects, and \$185 million in new bonds for Community Development projects.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly provides additional funds totaling \$5,700,000 in FY 2000-2001 from the General Fund which represents an estimated 10% of the debt service required for multiple agency recommended Bond Funds and will enable the Asset Liability Commission to issue interim financing for projects until the respective bonds are issued. Debt service funds totaling \$34,072,000 in FY 2001-2002 are provided from the General Fund to support Bond Funds totaling \$13 million for the Kentucky Infrastructure Authority, \$29.6 million for Facilities Management projects, and \$271.8 million for Community Development Projects.

The General Assembly Part XI, Phase I Tobacco Settlement Funding Program, provides debt service from the General Fund Phase I Tobacco Settlement Funds totaling \$5,031,000 in FY 2001-2002 for the Kentucky Infrastructure Authority Water Resources Development Bond Funds totaling \$50 million as authorized in the Finance and Administration Cabinet, General Administration.

The General Assembly Part XI, Phase I Tobacco Settlement Funding Program, provides debt service from the General Fund Phase I Tobacco Settlement Funds totaling \$1,258,000 in FY 2000-2001 and \$2,516,000 in FY 2001-2002 for the Rural Development Bond Funds totaling \$25 million as authorized in the Finance and Administration Cabinet, General Administration.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: Administration

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,671,000	3,671,000		3,808,000	3,776,100	(31,900)	3,809,000	3,789,600	(19,400)
Restricted Funds	8,671,000	8,671,000		9,039,000	9,039,000		9,121,000	9,121,000	
Road Fund	270,000	270,000		277,000	277,000		283,000	283,000	
Regular Total Funds	12,612,000	12,612,000		13,124,000	13,092,100	(31,900)	13,213,000	13,193,600	(19,400)
General Fund Continuing									
GRAND TOTAL FUNDS	12,612,000	12,612,000		13,124,000	13,092,100	(31,900)	13,213,000	13,193,600	(19,400)
II. EXPENDITURE CATEGORY									
Personnel Costs	7,880,200	7,880,200		7,803,000	7,771,100	(31,900)	8,080,000	8,060,600	(19,400)
Operating Expenses	4,188,800	4,188,800		4,448,000	4,448,000		4,483,000	4,483,000	
Capital Outlay	543,000	543,000		498,000	498,000		200,000	200,000	
Construction				375,000	375,000		450,000	450,000	
TOTAL EXPENDITURES	12,612,000	12,612,000		13,124,000	13,092,100	(31,900)	13,213,000	13,193,600	(19,400)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,671,000	3,671,000		3,690,000	3,690,000		3,696,000	3,696,000	
Restricted Funds	8,671,000	8,671,000		8,210,300	8,259,300	49,000	8,455,900	8,480,000	24,100
Road Fund	270,000	270,000		277,000	277,000		283,000	283,000	
Regular Total Funds	12,612,000	12,612,000		12,177,300	12,226,300	49,000	12,434,900	12,459,000	24,100
General Fund Continuing									
TOTAL BASE LEVEL	12,612,000	12,612,000		12,177,300	12,226,300	49,000	12,434,900	12,459,000	24,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				118,000	86,100	(31,900)	113,000	93,600	(19,400)
Restricted Funds				828,700	779,700	(49,000)	665,100	641,000	(24,100)
TOTAL ADDITIONAL				946,700	865,800	(80,900)	778,100	734,600	(43,500)

V. ADDITIONAL BUDGET ITEMS**1 EXPAN Division of Creative Services-Media Equipment**

(775CC0X01) Provide funds to support the purchase of photography equipment, sound and press media equipment, video recorders and players, and a digital camera to replace obsolete equipment and to update the technology of the Division.

Restricted Funds	68,000	68,000	21,000	21,000
Total	68,000	68,000	21,000	21,000

2 EXPAN Division of Postal Services-High Speed Inserter and Mailing Machines

(775CL0X01) Provide funds to support the purchase two high speed inserters (\$300,000 each) and three automatic mailing machines.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: Administration

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Division of Postal Services-High Speed Inserter and Mailing Machines								
(775CL0X01)		Provide funds to support the purchase two high speed inserters (\$300,000 each) and three automatic mailing machines.								
Restricted Funds					375,000	375,000		300,000	300,000	
Total					375,000	375,000		300,000	300,000	
3	EXPAN	Division of Occupations and Professions-Additional Office Space and Personnel								
(775CE0X03)		Provide funds to support personnel costs for 1 additional PFT positions and operating costs for rental charges for additional office space.								
General Fund					74,000	74,000		78,000	78,000	
Total					74,000	74,000		78,000	78,000	
4	EXPAN	Division of Occupations and Professions-License Verification System								
(775CE0X04)		Provide funds to support the procurement of technology capable of providing 14 health-related boards the ability to comply with HIPDA disciplinary action reporting requirements.								
Restricted Funds					95,000	95,000				
Total					95,000	95,000				
5	EXPAN	Division of Printing-Collating Equipment								
(775CK0X01)		Provide funds to support the purchase of two collators.								
Restricted Funds					40,000	40,000		40,000	40,000	
Total					40,000	40,000		40,000	40,000	
6	EXPAN	Division of Printing-Direct to Plate System (Equipment Purchase)								
(775CK0X02)		Provide funds to support the conversion of the current metal press plating to polyester plates.								
Restricted Funds					58,000	58,000				
Total					58,000	58,000				
7	EXPAN	Division of Printing-Network Publishing Equipment								
(775CK0X03)		Provide funds to support the purchase of network publishing equipment to enable hard copy to be scanned or received over the wide area network.								
Restricted Funds					125,000	125,000		250,000	250,000	
Total					125,000	125,000		250,000	250,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: Administration

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8 NEW	Wage Equity Plan									
(775CA0X02)	Provide funds to support salary improvement.									
General Fund					44,000	12,100	(31,900)	35,000	15,600	(19,400)
Restricted Funds					67,700	18,700	(49,000)	54,100	30,000	(24,100)
Total					111,700	30,800	(80,900)	89,100	45,600	(43,500)
TOTAL ADDITIONAL					946,700	865,800	(80,900)	778,100	734,600	(43,500)

FB 2000-2002 BUDGET MODIFICATION REPORT

Administration

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Restricted Funds totaling \$375,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 are provided for three mail metering machines and two high speed inserter machines for the Division of Postal Services, (The State Surplus Property Program will transfer \$300,000 from excess Restricted Funds to the Division of Postal Services for the acquisition of one of the high-speed inserter machines); Restricted Funds totaling \$68,000 in FY 2000-2001 and \$21,000 in FY 2001-2002 are provided for new media equipment for the Division of Creative Services; Additional support from the General Fund totaling \$74,000 in FY 2000-2001 and \$78,000 in FY 2001-2002 is provided for one additional PFT position and to relocate the Division of Occupations and Professions to new office space; Additional Restricted Funds totaling \$95,000 in FY 2000-2001 from the State Surplus Property Program are provided for a License Verification System for the Division of Occupations and Professions; Restricted Funds totaling \$223,000 in FY 2000-2001 and \$290,000 in FY 2001-2002 are provided for two collators, a direct to plate system and network publishing equipment for the Division of Printing.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$44,000 in FY 2000-2001 and \$35,000 in FY 2001-2002 and Restricted Funds support totaling \$67,700 in FY 2000-2001 and \$54,100 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 of each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

*Funding support from reduced employer retirement contributions and vacancy credits is included in the Base Level Budget to support increased costs of existing operations.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects and equipment purchases:

Restricted Funds totaling \$600,000 in FY 2000-2001 for two High Speed Inserter machines; \$581,000 in FY 2000-2001 for Network Publishing Equipment; and reauthorization of \$390,700 for Bar Code Printing and Sorting Equipment.

The Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision that directs: For the major equipment purchases displayed in this section as Restricted Funds supported projects, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes leases of real property in Franklin County with costs that exceed \$200,000 each year.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$12,100 from the General Fund and \$18,700 in Restricted Funds in FY 2000-2001 and \$15,600 from the General Fund and \$30,000 in Restricted Funds in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: Administration

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Restricted Funds	1,181,000	1,181,000
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TOTAL CAPITAL	1,181,000	1,181,000
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II. CAPITAL PROJECTS

1 (7751199) **Division of Postal Services- Two High Speed Inserters**

Restricted Funds	600,000	600,000
Total	600,000	600,000

2 (7750217) **Division of Printing-Network Publishing Equipment**

Restricted Funds	581,000	581,000
Total	581,000	581,000

3 (7751204) **Division of Printing-Lease (Franklin County)**

Total

4 (7751202) **Postal Services-Lease (Franklin County)**

Total

5 (7751205) **Postal Services-Bar Code Printing and Sorting Equipment (Reauthorization)**

Total

TOTAL	1,181,000	1,181,000
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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: Facilities Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	8,365,000	8,365,000		8,640,000	8,598,300	(41,700)	8,867,000	8,822,300	(44,700)
Restricted Funds	20,458,000	20,458,000		20,634,000	20,634,000		21,014,000	21,014,000	
Regular Total Funds	28,823,000	28,823,000		29,274,000	29,232,300	(41,700)	29,881,000	29,836,300	(44,700)
General Fund Continuing									
GRAND TOTAL FUNDS	28,823,000	28,823,000		29,274,000	29,232,300	(41,700)	29,881,000	29,836,300	(44,700)
II. EXPENDITURE CATEGORY									
Personnel Costs	16,756,600	16,756,600		17,627,000	17,585,300	(41,700)	18,304,000	18,259,300	(44,700)
Operating Expenses	11,506,400	11,506,400		11,547,000	11,547,000		11,477,000	11,477,000	
Capital Outlay	560,000	560,000		100,000	100,000		100,000	100,000	
TOTAL EXPENDITURES	28,823,000	28,823,000		29,274,000	29,232,300	(41,700)	29,881,000	29,836,300	(44,700)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	8,365,000	8,365,000		8,494,000	8,494,000		8,695,000	8,695,000	
Restricted Funds	20,458,000	20,458,000		19,788,000	19,896,100	108,100	20,378,200	20,481,400	103,200
Regular Total Funds	28,823,000	28,823,000		28,282,000	28,390,100	108,100	29,073,200	29,176,400	103,200
General Fund Continuing									
TOTAL BASE LEVEL	28,823,000	28,823,000		28,282,000	28,390,100	108,100	29,073,200	29,176,400	103,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				146,000	104,300	(41,700)	172,000	127,300	(44,700)
Restricted Funds				846,000	737,900	(108,100)	635,800	532,600	(103,200)
TOTAL ADDITIONAL				992,000	842,200	(149,800)	807,800	659,900	(147,900)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Building Services & Mechanical Maintenance-Additional Personnel & Operating Costs								
(785DF0X01)	Provide funds to support 8 PFT personnel positions and related operating costs for planned reorganization of the Division.								
Restricted Funds				238,000	238,000		333,000	333,000	
Total				238,000	238,000		333,000	333,000	
2 EXPAN	Contracting and Administration-Assistant Director Position								
(785DA0X05)	Provide funds to support an Assistant Director's position (1 PFT).								
Restricted Funds				76,000	76,000		80,000	80,000	
Total				76,000	76,000		80,000	80,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: Facilities Management

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3	EXPAN	Real Property-Facilities Management Database								
(785DA0X06)	Provide funds to support 2 PFT positions, software, and maintenance to establish and maintain a Facilities Management Database of all state-owned facilities.									
General Fund					72,000	72,000		76,000	76,000	
Restricted Funds					340,000	340,000				
Total					412,000	412,000		76,000	76,000	
4	NEW	Wage Equity Plan								
(785DA0X07)	Provide funds to support salary improvement.									
General Fund					74,000	32,300	(41,700)	96,000	51,300	(44,700)
Restricted Funds					192,000	83,900	(108,100)	222,800	119,600	(103,200)
Total					266,000	116,200	(149,800)	318,800	170,900	(147,900)
TOTAL ADDITIONAL					992,000	842,200	(149,800)	807,800	659,900	(147,900)

FB 2000-2002 BUDGET MODIFICATION REPORT

Facilities Management

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$72,000 in FY 2000-2001 and \$76,000 in FY 2001-2002 is provided for two PFT positions to maintain and update the Facilities Management Database of all state-owned facilities; additional Restricted Funds totaling \$340,000 in FY 2000-2001 are provided to fund the Facilities Management System; additional Restricted Funds totaling \$76,000 in FY 2000-2001 and \$80,000 in FY 2001-2002 are provided to fund one PFT position in Contacting and Administration; and \$238,000 in FY 2000-2001 and \$333,000 in FY 2001-2002 are provided to fund eight PFT security technician positions.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$74,000 in FY 2000-2001 and \$96,000 in FY 2001-2002 and Restricted Funds support totaling \$192,000 in FY 2000-2001 and \$222,800 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 of each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

*Funding support from reduced employer retirement contributions and vacancy credits is included in the Base Level Budget to support increased costs of existing operations.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects and equipment purchases:

Bond Fund supported projects totaling \$73,250,000 in FY 2000-2001, which include Statewide Land Acquisition/Demolition (\$5 million), Kentucky State Capitol Restoration Design (\$8.55 million), Executive Office Building (\$20.5 million), Sprinkler Recall Replacement (\$1.5 million), Capitol Complex Infrastructure (\$33.7 million), and History Center Area Restoration (\$4 million); Investment Income funds totaling \$7.5 million in FY 2000-2001 for the Capital Construction, Equipment Purchase Contingency Fund; Investment Income funds totaling \$3,375,000 in FY 2000-2001 and \$3,875,000 in FY 2001-2002 and Restricted Funds totaling \$1,400,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 for the Miscellaneous Maintenance Pool. The Council on State Government will contribute \$900,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 of the total Restricted Funds amount for the Miscellaneous Maintenance Pool.

The Branch Budget Bill, Part II, Capital Projects Budget, also includes Investment Income funds totaling \$1 million in FY 2000-2001 for the Statewide Deferred Maintenance Pool. (The Capital Budget recommendation provides funding from the Statewide Deferred Maintenance Pool for specified multiple agency projects totaling \$7.2 million.) The Statewide Deferred Maintenance Pool has a current balance of approximately \$6.5 million. The Finance and Administration Cabinet projects funded from the Statewide Deferred Maintenance Pool total \$4 million and include: Elevator/Escalator Modernization in State Buildings (\$2 million), Federally Mandated CFC Phase-out (\$1 million), and ADA Compliance Requirements in State Buildings (\$1 million).

The Branch Budget Bill, Part II, Capital Projects Budget, also includes Investment Income funds totaling \$3,714,000 in FY 2000-2001 and \$1,500,000 in FY 2001-2002 for the Emergency Repair, Maintenance and Replacement Fund. (The Capital Budget recommendation provides funds totaling \$2.2 million in FY 1999-2000 and \$5.4 million in FY 2000-2001 from the Emergency Repair, Maintenance and Replacement Fund for specific projects outside of the Finance and Administration Cabinet budget.) The Emergency Repair, Maintenance and Replacement Fund has a current balance of approximately \$16.8 million.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

FB 2000-2002 BUDGET MODIFICATION REPORT

Facilities Management

The General Assembly provides in Part II, Capital Projects Budget, Bond Funds totaling \$19,125,000 for the Kentucky State Capitol-Historic Restoration Design which is expanded to include the Capitol Complex and infrastructure design. Funds are not provided for the Executive Branch Office Building-Franklin County and the Capitol Complex Infrastructure. Support from Investment Income totals \$714,000 in FY 2000-2001 for the Emergency Repair, Maintenance, and Replacement Fund, and \$2 million in FY 2000-2001 for the Capital Construction and Equipment Purchase Contingency Fund.

The General Assembly adds Part III, General Provisions, language to allow allocations from the Capital Construction and Equipment Purchase Contingency Account to be used for Technology Trust Fund projects and systems, but notwithstanding KRS 45.770 and 45.800, the total amount of allocations from the Account for Technology Trust Fund projects and systems shall not exceed \$2,500,000.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$32,300 from the General Fund and \$83,900 in Restricted Funds in FY 2000-2001 and \$51,300 from the General Fund and \$119,600 in Restricted Funds in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly includes Part X, General Fund Surplus Expenditure Plan, as follows:

1. Pursuant to KRS 48.700 and notwithstanding KRS 48.140, there is established a plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus Plan contained in this Part for fiscal years 2000-2001 and 2001-2002. Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys in the General Fund undesignated fund balance (General Fund Surplus Account, KRS 48.700) are appropriated to the following: Endowment Fund, the Capital Facilities Fund, and the Court-Ordered Judgments Funding Account as established in this Part of this Act; and the Budget Reserve Trust Fund established in KRS 48.705. Collectively, these four component funds make up the General Fund Surplus Expenditure Plan for fiscal years 2000-2001 and 2001-2002.

2. The General Fund amount appropriated to the Surplus Expenditure Plan from the undesignated fund balance in the General Fund at the close of fiscal year 1999-2000 and fiscal year 2000-2001 respectively shall not exceed the total for the appropriations made for fiscal years 2000-2001 and 2001-2002 combined. If the undesignated fund balance in the General Fund at the close of fiscal year 1999-2000 and at the close of fiscal year 2000-2001 totals less than the total combined Surplus Funds appropriation amounts for fiscal year 2000-2001 and fiscal year 2001-2002, the amount available for appropriation for fiscal year 2000-2001 and for fiscal year 2001-2002 pursuant to this section shall be the total undesignated fund balance amount at June 30, 2000, and at June 30, 2001, for the respective years. These amounts are appropriated in fiscal year 2000-2001 and in fiscal year 2001-2002, and shall be allocated in the following manner: 83.33 percent of the total General Fund surplus balance to the Endowment program of the Research Challenge Trust Fund of the Council on Postsecondary Education, and 16.67 percent to the Endowment program of the Regional University Excellence Trust Fund of the Council on Postsecondary Education not to exceed a total of \$120,000,000. In the event that the total General Fund surplus balance at the close of fiscal year 1999-2000 shall be less than \$120,000,000, a proportional amount of the General Fund surplus balance shall be allocated to each of the Trust Funds. In the event that the total General Fund surplus balance exceeds \$120,000,000 at the close of fiscal year 1999-2000, the amount up to \$10,000,000 that exceeds \$120,000,000 shall be credited to the Capital Facilities Fund. In the event that the total General Fund surplus income balance exceeds \$130,000,000 at the close of fiscal year 1999-2000, the amount up to \$6,000,000 that exceeds \$130,000,000 shall be credited to the Court-Ordered Judgments Funding Account. In the event that the total General Fund surplus income balance exceeds \$136,000,000 at the close of fiscal year 1999-2000, the amount of the balance that exceeds \$136,000,000 shall be credited to the Budget Reserve Trust Fund.

FB 2000-2002 BUDGET MODIFICATION REPORT

Facilities Management

3. The Secretary of the Finance and Administration Cabinet shall determine, within thirty (30) days after the close of fiscal year 1999-2000, and the close of fiscal year 2000-2001, based on the official financial records of the Commonwealth, the amount of actual General Fund undesignated fund balance for the General Fund Surplus Account that may be available for expenditure pursuant to the Plan respectively in fiscal year 2000-2001 and fiscal year 2001-2002. The Secretary of the Finance and Administration Cabinet shall certify the amount of actual General Fund undesignated fund balance available for expenditure to the Legislative Research Commission. Subsequent to June 30, 2000, funds that are certified as being available in the actual General Fund undesignated fund balance for the General Fund Surplus Account are appropriated for expenditure in fiscal year 2000-2001 pursuant to the Plan.

4. To the extent that projects are enumerated in the priority ranking and sufficient General Fund moneys are not certified to be available for expenditure and appropriation in fiscal year 2000-2001, the remaining projects in the same priority order set forth in this Part are appropriated from the actual General Fund undesignated fund balance for the General Fund Surplus Account effective July 1, 2001, for fiscal year 2001-2002.

5. Individual project priority rankings have been established as follows:

Priority		General Fund Surplus Appropriations
I.	ENDOWMENT FUND	
A.	Council on Postsecondary Education	
Budget Unit	Research Challenge Trust Fund	
	1. Endowment Program	100,000,000
	The total amount is appropriated in fiscal year 2000-2001.	
Budget Unit	Regional Universities Excellence Trust Fund	
	2. Endowment Program	20,000,000
	The total amount is appropriated in fiscal year 2000-2001.	
	Endowment Fund subtotal	120,000,000
II.	CAPITAL FACILITIES FUND	
A.	Department of Facilities Management	
	1. Emergency Repair, Maintenance and Replacement Fund	4,500,000
	2. Capital Construction and Equipment Contingency Fund	5,500,000
	Capital Facilities Fund subtotal	10,000,000
III.	COURT-ORDERED JUDGMENTS FUNDING ACCOUNT	
A.	Finance and Administration Cabinet	
Budget Unit	Miscellaneous Appropriations - Judgments	
	1. Judgments Funding Account	6,000,000

6. To the extent that the available General Fund Surplus in fiscal year 1999-2000 exceeds the total component fund amounts allocated to fiscal year 2000-2001, then the additional available General Fund Surplus amount is appropriated for fiscal year 2001-2002 allocation to the component priorities.

FB 2000-2002
BUDGET MODIFICATION REPORT

Facilities Management

7. Figures for amounts in all determinations, authorizations, and appropriations under the Plan shall be rounded to the lower hundredth dollar. Notwithstanding KRS 48.140 and the provisions of Part X 1. to 5. above, if the total undesignated fund balance in the General Fund in fiscal year 1999-2000 and 2000-2001 respectively exceeds the total combined General Fund Surplus Plan appropriation amount, there is appropriated in fiscal year 2001-2002 to the Budget Reserve Trust Fund an amount that enables the Budget Reserve Trust Fund to contain a fund balance up to five percent (5%) of the actual General Fund revenue in fiscal year 2000-2001 which is an additional \$105,605,500 under current forecast.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: Facilities Management

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Restricted Funds	1,400,000	1,400,000		300,000	300,000	
Bond Funds	73,250,000	29,625,000	(43,625,000)			
Investment Income	15,589,000	7,089,000	(8,500,000)	5,375,000	3,875,000	(1,500,000)
Deferred Maintenance	4,000,000	4,000,000				
TOTAL CAPITAL	94,239,000	42,114,000	(52,125,000)	5,675,000	4,175,000	(1,500,000)

II. CAPITAL PROJECTS

1 (7851209) Emergency Repair, Maintenance & Replacement Fund						
Investment Income	3,714,000	714,000	(3,000,000)	1,500,000		(1,500,000)
Total	3,714,000	714,000	(3,000,000)	1,500,000		(1,500,000)
2 (7851207) Capital Construction Equipment Purchase Contingency Fund						
Investment Income	7,500,000	2,000,000	(5,500,000)			
Total	7,500,000	2,000,000	(5,500,000)			
3 (7851212) Miscellaneous Maintenance Pool						
Restricted Funds	1,400,000	1,400,000		300,000	300,000	
Investment Income	3,375,000	3,375,000		3,875,000	3,875,000	
Total	4,775,000	4,775,000		4,175,000	4,175,000	
4 (7851208) Statewide Deferred Maintenance Pool						
Investment Income	1,000,000	1,000,000				
Total	1,000,000	1,000,000				
5 (7851215) KY State Capitol Complex-Historic Restoration Design Infrastructure						
Bond Funds	8,550,000	19,125,000	10,575,000			
Total	8,550,000	19,125,000	10,575,000			
6 (7851217) Executive Branch Office Building-Franklin County						
Bond Funds	20,500,000		(20,500,000)			
Total	20,500,000		(20,500,000)			
7 (7851218) Sprinkler Recall/Replacement						
Bond Funds	1,500,000	1,500,000				
Total	1,500,000	1,500,000				
8 (7850228) Land Acquisition/Demolition-Statewide						

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: Facilities Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
II. CAPITAL PROJECTS									
8 (7850228) Land Acquisition/Demolition-Statewide									
Bond Funds				5,000,000	5,000,000				
Total				5,000,000	5,000,000				
9 (7850227) State-Owned Buildings-ADA Compliance Requirements									
Deferred Maintenance				1,000,000	1,000,000				
Total				1,000,000	1,000,000				
10 (7850222) State-Owned Buildings-Elevator/Escalator Modernization									
Deferred Maintenance				2,000,000	2,000,000				
Total				2,000,000	2,000,000				
11 (7850225) Federally-Mandated CFC Phaseout									
Deferred Maintenance				1,000,000	1,000,000				
Total				1,000,000	1,000,000				
12 (7851220) Capital Complex Infrastructure									
Bond Funds				33,700,000		(33,700,000)			
Total				33,700,000		(33,700,000)			
13 (7851221) History Center Area Restoration									
Bond Funds				4,000,000	4,000,000				
Total				4,000,000	4,000,000				
TOTAL				94,239,000	42,114,000	(52,125,000)	5,675,000	4,175,000	(1,500,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: County Costs

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund Special	1,632,000	1,632,000							
General Fund	16,186,000	16,186,000		18,899,000	18,899,000		20,881,000	20,881,000	
Restricted Funds	1,327,000	1,327,000		1,327,000	1,327,000		1,327,000	1,327,000	
Regular Total Funds	19,145,000	19,145,000		20,226,000	20,226,000		22,208,000	22,208,000	
General Fund Continuing									
GRAND TOTAL FUNDS	19,145,000	19,145,000		20,226,000	20,226,000		22,208,000	22,208,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	755,000	755,000		855,000	855,000		955,000	955,000	
Operating Expenses	16,340,000	16,340,000		17,292,000	17,292,000		19,145,000	19,145,000	
Grants, Loans, Benefits	2,050,000	2,050,000		2,079,000	2,079,000		2,108,000	2,108,000	
TOTAL EXPENDITURES	19,145,000	19,145,000		20,226,000	20,226,000		22,208,000	22,208,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	16,186,000	16,186,000		16,215,000	16,215,000		16,244,000	16,244,000	
Restricted Funds	1,327,000	1,327,000		1,327,000	1,327,000		1,327,000	1,327,000	
Regular Total Funds	17,513,000	17,513,000		17,542,000	17,542,000		17,571,000	17,571,000	
General Fund Continuing									
TOTAL BASE LEVEL	17,513,000	17,513,000		17,542,000	17,542,000		17,571,000	17,571,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund Special	1,632,000	1,632,000							
General Fund				2,684,000	2,684,000		4,637,000	4,637,000	
TOTAL ADDITIONAL	1,632,000	1,632,000		2,684,000	2,684,000		4,637,000	4,637,000	
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	County Costs-Public Defender Program								
(759CA0X01)	Provide additional funds to support increased operating costs resulting from a needy defendant's motion for funding assistance.								
General Fund	250,000	250,000		350,000	350,000		450,000	450,000	
Total	250,000	250,000		350,000	350,000		450,000	450,000	
2 EXPAN	County Costs-Sheriff's Fees								
(759MD0X01)	Provide funds to support increased operating expenses due to additional security duties incurred as a result of manning new court facilities and metal detectors at the court facilities.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: County Costs

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS									
2 EXPAN	County Costs-Sheriff's Fees								
(759MD0X01)	Provide funds to support increased operating expenses due to additional security duties incurred as a result of manning new court facilities and metal detectors at the court facilities.								
General Fund	1,382,000	1,382,000		2,334,000	2,334,000		4,187,000	4,187,000	
Total	1,382,000	1,382,000		2,334,000	2,334,000		4,187,000	4,187,000	
TOTAL ADDITIONAL	1,632,000	1,632,000		2,684,000	2,684,000		4,637,000	4,637,000	

FB 2000-2002 BUDGET MODIFICATION REPORT

County Costs

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional support is provided from the General Fund totaling \$1,382,000 in FY 1999-2000, \$2,334,000 in FY 2000-2001, and \$4,187,000 in FY 2001-2002 for the Sheriff's Fees Unit for increased security requirements at existing and new court facilities; additional Restricted Funds are provided totaling \$250,000 in FY 1999-2000, \$350,000 in FY 2000-2001, and \$450,000 in FY 2001-2002 for the Public Defender Program.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs: Funds required to pay County Costs other than Base Court Revenue funded by the General Fund are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The General Assembly adds Part I, Operating Budget, language which states Notwithstanding KRS 23A.205, as amended by Senate Bill 326 of the 2000 Regular Session of the General Assembly; KRS 64.092; or any other statute to the contrary, the Circuit Clerk shall monthly pay \$7 from each court cost collected pursuant to subsection (1) of KRS 23A.205 to the Finance and Administration Cabinet for the purpose of compensating sheriffs on a statewide basis for attending court and providing security services in compliance with KRS 64.092.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Finance and Administration

Agency: Finance and Administration
Appropriation Unit: County Fees

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	67,925,100	67,925,100		71,212,900	71,212,900		74,664,400	74,664,400	
Regular Total Funds	67,925,100	67,925,100		71,212,900	71,212,900		74,664,400	74,664,400	
General Fund Continuing									
GRAND TOTAL FUNDS	67,925,100	67,925,100		71,212,900	71,212,900		74,664,400	74,664,400	
II. EXPENDITURE CATEGORY									
Personnel Costs	35,536,300	35,536,300		36,263,200	36,263,200		38,076,200	38,076,200	
Operating Expenses	27,844,000	27,844,000		29,341,400	29,341,400		30,811,500	30,811,500	
Capital Outlay	4,544,800	4,544,800		5,608,300	5,608,300		5,776,700	5,776,700	
TOTAL EXPENDITURES	67,925,100	67,925,100		71,212,900	71,212,900		74,664,400	74,664,400	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	51,771,000	51,771,000		71,212,900	71,212,900		74,664,400	74,664,400	
Regular Total Funds	51,771,000	51,771,000		71,212,900	71,212,900		74,664,400	74,664,400	
General Fund Continuing									
TOTAL BASE LEVEL	51,771,000	51,771,000		71,212,900	71,212,900		74,664,400	74,664,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	16,154,100	16,154,100							
TOTAL ADDITIONAL	16,154,100	16,154,100							
V. ADDITIONAL BUDGET ITEMS									
1 EXPRFR Various Counties-Increased County Fees									
(CAMCCCX01) Provide funds to support increased personnel and operating expenses incurred by the County Clerks and Sheriffs participating in the County Fees Program.									
Restricted Funds	16,154,100	16,154,100							
Total	16,154,100	16,154,100							
TOTAL ADDITIONAL	16,154,100	16,154,100							

**FB 2000-2002
BUDGET MODIFICATION REPORT**

County Fees

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional Restricted Funds totaling \$16,154,100 in FY 1999-2000 are provided for increased personnel and operating costs incurred by the County Clerks and Sheriffs participating in the County Fees Program.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Finance and Administration

Cabinet/Function: Finance and Administration

Appropriation Unit: Ky Lottery Corporation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Other Funds				37,091,000	37,091,000				
TOTAL CAPITAL				37,091,000	37,091,000				
II. CAPITAL PROJECTS									
1 (0811411) Contingency on Property									
Other Funds				2,500,000	2,500,000				
Total				2,500,000	2,500,000				
2 (0811412) Instant Ticket Vending Machines									
Other Funds				2,125,000	2,125,000				
Total				2,125,000	2,125,000				
3 (0811413) Buyout of Online Gaming System									
Other Funds				18,450,000	18,450,000				
Total				18,450,000	18,450,000				
4 (0811414) Pull Tab Ticket Vending Machines									
Other Funds				4,473,000	4,473,000				
Total				4,473,000	4,473,000				
5 (0811415) Data Processing, Telecomms, and Related Equipment									
Other Funds				3,750,000	3,750,000				
Total				3,750,000	3,750,000				
6 (0811416) Upgrade to Distributed Processing Model									
Other Funds				150,000	150,000				
Total				150,000	150,000				
7 (0811417) Probability Games Implementation									
Other Funds				5,643,000	5,643,000				
Total				5,643,000	5,643,000				
TOTAL				37,091,000	37,091,000				

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